

QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH LIMITED

QUARTERLY INVESTOR REPORT
31 MARCH 2022

VPEG DIVERSIFY
GROW
OUTPERFORM



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IMPORTANT INFORMATION

This report has been prepared by Vantage Asset Management Pty Limited (ABN 50 109 671 123) AFSL 279186 (VAM) (in its capacity as Investment Manager of Vantage Private Equity Growth Limited (ABN 51 112 481 875)). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should seek their own advice about an appropriate investment or investment strategy. It should not be relied upon as personal advice nor is it an offer of any financial product.

SUMMARY

Vantage Private Equity Growth Limited (VPEG) is a multi-manager Private Equity investment company structured as an unlisted Australian public company. VPEG was established to invest in professionally managed Private Equity funds that invest in businesses that are at a more mature stage of development, and in particular the Later Expansion and Buyout stages of Private Equity investment.

The Company's investment objective for its Investment Portfolio is to achieve attractive medium to long-term returns on Private Equity investments while keeping the volatility of the overall investment portfolio low. This is achieved by investing across a highly diversified portfolio of Private Equity assets with diversification obtained by allocating across manager, geographic region, financing stage, industry sector and vintage year.

VPEG invested its Investment Portfolio into Australian based Private Equity funds who in turn were focused on investing into lower to mid-market sized companies with enterprise value at initial investment of generally between \$20m and \$500m.

VPEG's investment portfolio is being divested over time and with total initial commitments of \$43m across seven Private Equity funds. At quarter end, it held interests in two remaining underlying companies and one residual holding in a previously exited company, which is an ASX listed company. In total, there have been 47 completed exits from the portfolio.

As at 31 March 2022, VPEG has a remaining investment commitment to Catalyst Buyout Fund 2. As a result of Archer Capital Fund 4 performing its' final portfolio exit of Supercars during the December 2021 quarter, there remains a minor residual value, which will be distributed upon that fund being wound up.

VPEG's investment commitment of \$8m to Quadrant Private Equity No. 2 ended upon the termination of that fund in July 2016 following the final exit of its last underlying company investment in June 2016. VPEG's investment commitment of \$4m to Crescent Capital Partners III ended upon the termination of that fund in June 2018 following the final exit of its last portfolio company in March 2018. VPEG's investment commitment of \$7m to Next Capital II ended upon termination of that fund in June 2019 with the final distributions received following their final exit of its last portfolio company in November 2018. VPEG's investment commitment of \$4m to Equity Partners Fund No. 3 ended upon the sale of their last portfolio company during the September 2019 quarter with the residual proceeds of the fund received by VPEG during the December 2019 quarter. VPEG's investment commitment of \$4m to Advent V ended upon termination of that fund in September 2020 with the final distributions received following their final exit of its last portfolio company in July 2020.

SPECIAL POINTS OF INTEREST

Vantage and the VPEG board are in the process of assessing a number of alternatives to divest VPEG's remaining portfolio, with a view to expediting the ultimate wind up of VPEG within the next six months

Cirrus Media product Access+ continues to increase in user subscriptions across the quarter, with the product now representing 40% of the Group's revenue

With 47 exits completed from the underlying portfolio, VPEG ultimately held interests in two underlying company investments and one previously exited investment, as at 31 March 2022

PERFORMANCE

The period 1 January 2022 to 31 March 2022 saw continued activity across VPEG's remaining Private Equity portfolio. All remaining active investments are held within Catalyst Buyout Fund 2.

As at 31 March 2022, the number of investments remaining within VPEG's underlying portfolio was two. In addition, VPEG held residual / earn out interest in two previously exited portfolio companies.

The table below provides a summary of the performance of VPEG's Net Asset Value (NAV) during the March 2022 quarter. VPEG's NAV decreased from \$0.075 per share to \$0.063 per share. The decrease in VPEG's NAV was primarily as a result of a 19.1% reduction in the share price across the quarter, of previously exited and now ASX listed, Dusk Group, in which Catalyst still hold shares, with Dusk representing 27.3% of VPEG's portfolio at quarter end.

The Drop in Dusk's share price followed the volatility in the ASX during the quarter, following investor concerns over the War in Ukraine and the increasing prospect of interest rate rises due to higher inflation both locally and globally.

VPEG expects the remaining investments in the Fund's underlying portfolio will be exited over the remainder 2022, as managers work towards selling the remaining portfolio companies in Catalyst Buyout Fund 2 as that fund reaches the end of its fund term. The Fund will subsequently provide one further distribution to VPEG's shareholders at the conclusion of the Company's investments.

KEY PORTFOLIO DEVELOPMENTS

The March 2022 quarter saw continued private equity activity across VPEG's portfolio as Catalyst Buyout Fund 2 management worked towards positioning each remaining portfolio for exit.

With 47 exits completed, two controlling interests in underlying Private Equity company investments and one residual interest in a previously exited company remained in VPEG's portfolio as at 31 March 2022.

| Month Ending | VPEG NAV per Ordinary Share* |
|--------------|------------------------------|
| 31-Mar-22 | 0.063 |
| 28-Feb-22 | 0.073 |
| 31-Jan-22 | 0.074 |
| 31-Dec-21 | 0.075 |

* Net Asset Value (NAV) per share post tax

The remaining companies in VPEG's underlying portfolio are expected to be exited over the remainder of the 2022 Calendar year as Catalyst work toward creating an exit path for their remaining portfolio companies as that fund reaches the end of their fund term.

However, should Catalyst Buyout Fund 2 look to continue that fund's operations post the 2022 financial year, Vantage and the VPEG board will assess a number of alternatives to divest VPEG's remaining portfolio, with a view to expediting the ultimate wind up of VPEG within the next six months.

PORTFOLIO UPDATE

The underlying portfolio update provided below covers the two remaining actively managed companies in VPEG's portfolio, representing 72.7% of VPEG's remaining private equity exposure at quarter end.

CIRRUS MEDIA - CATALYST BUYOUT FUND 2

Cirrus Media is Australia's largest business-to-business media company, with a diverse portfolio of leading print publications, websites, events and conferences and online industry portals providing information to professionals in a diverse range of industries. Key industry verticals include healthcare, wealth management and mining.



Cirrus represents 4.4% of VPEG's remaining Private Equity portfolio as at 31 March 2022.

There has been a continued increase in subscriptions of the Access+ product across the March 2022 quarter, which now represents approximately 40% of the group's revenue.

A prolonged below-expected growth in doctor and client usage of the platform continued, prompting an internal review surrounding the Access+ App development approach. The outcomes of this review led to a change in product leadership and a scrapping of the work done to date. This project was replaced with a new, off-the-shelf platform which will be used as a foundation to continue building the Access+ App. Utilisation of this platform provides the opportunity to focus on product-specific customisations to the platform, rather than building features from scratch which was occurring under the previous approach.

The change will enable the ADG team to pursue greater alignment, speed and purpose which will assist in increasing usage, engagement and monetization of Access+.

VESCO - CATALYST BUYOUT FUND 2

Vesco Foods is a frozen ready meals and components business and is a market leader in the private label and contract manufacturing segments primarily servicing the Retail channel to customers including Australia's leading supermarket chains and global food brand names. It also services Health and Food Services, QSR and the export channels. Vesco has two manufacturing facilities; in WA and QLD.



Vesco represents 68.3% of VPEG's remaining Private Equity portfolio as at 31 March 2022.

As a result of the floods in Brisbane and Northern NSW during the quarter, Vesco Foods operations experienced elevated levels of disruption. The key driver of this disruption was the 3-week closure of the East/West rail link as well as the Brisbane floods, resulting in Vesco pivoting from rail to road freight to continue distribution. This shift incurred materially greater costs and a high number of lost sales. In addition, as a result of the Brisbane floods, there were a number of temporary closures of suppliers, leading to increased unpredictability on receiving inputs and higher wastage.

Although a number of these factors were temporary, Vesco management acknowledged that there was greater structural changes to the cost-base as a result of changing market conditions which will likely remain for a prolonged time.

To combat this and protect profitability, Vesco management adopted a large cost recovery strategy, with a number of changes being implemented in the short term. In addition, management focused on remedying out-of-stock problems, improving the manufacturing efficiency in its' Perth and Brisbane plants and commissioning the Forestdale factory.

Moving forward, management expect financial performance to be continued to be impacted by the disruptions. Despite this, management are confident that there is a positive longer-term outlook as the business pursues the aforementioned actions.

Catalyst have paused the exit process due to the ongoing disruptions, however, are maintaining dialogue with interested parties in an effort to resurrect the process in coming months once the environment stabilizes.

PORTFOLIO STRUCTURE

VPEG's PORTFOLIO STRUCTURE - 31 MARCH 2022

The tables and charts below provide information on the breakdown of VPEG's underlying investments as at 31 March 2022.

CURRENT INVESTMENT ALLOCATION

The following table provides the split of VPEG's current investment portfolio across cash, fixed interest securities (term deposits) and Private Equity.

The Private Equity component of the portfolio is further broken down by the investment stage (Later Expansion or Buyout) of the underlying investments that currently make up VPEG's Private Equity portfolio.

During the quarter, VPEG's exposure to Private Equity investments decreased from 77.5% to 74.3%, with the cash and fixed interest component of the portfolio increasing from 22.5% to 25.7% of the total portfolio value.

| Cash | Short Term Deposits | Private Equity | |
|-------|---------------------|-----------------|-------|
| 22.4% | 3.3% | Later Expansion | 0.0% |
| | | Buyout | 74.3% |

SUMMARY OF VPEG'S REMAINING UNDERLYING PRIVATE EQUITY INVESTMENTS

The table below provides an overview of the remaining underlying Private Equity investments and the residual holding in VPEG's portfolio as at 31 March 2022.

| Rank | Investment | Fund | Description | % of VPEG's Private Equity Portfolio | Cumulative % |
|------|--------------|------------------------|--|--------------------------------------|--------------|
| 1 | Vesco | Catalyst Buyout Fund 2 | Manufacturer of frozen meals and meal components | 68.3% | 68.3% |
| 2 | Dusk | Catalyst Buyout Fund 2 | Specialty Retailer of Candles | 27.3% | 95.6% |
| 3 | Cirrus Media | Catalyst Buyout Fund 2 | Australian business to business media company | 4.4% | 100.0% |

Note: As at 31 March 2022 (unaudited) calculated on VPEG's Pre-Tax Net Asset Value (NAV).

PRIVATE EQUITY PORTFOLIO

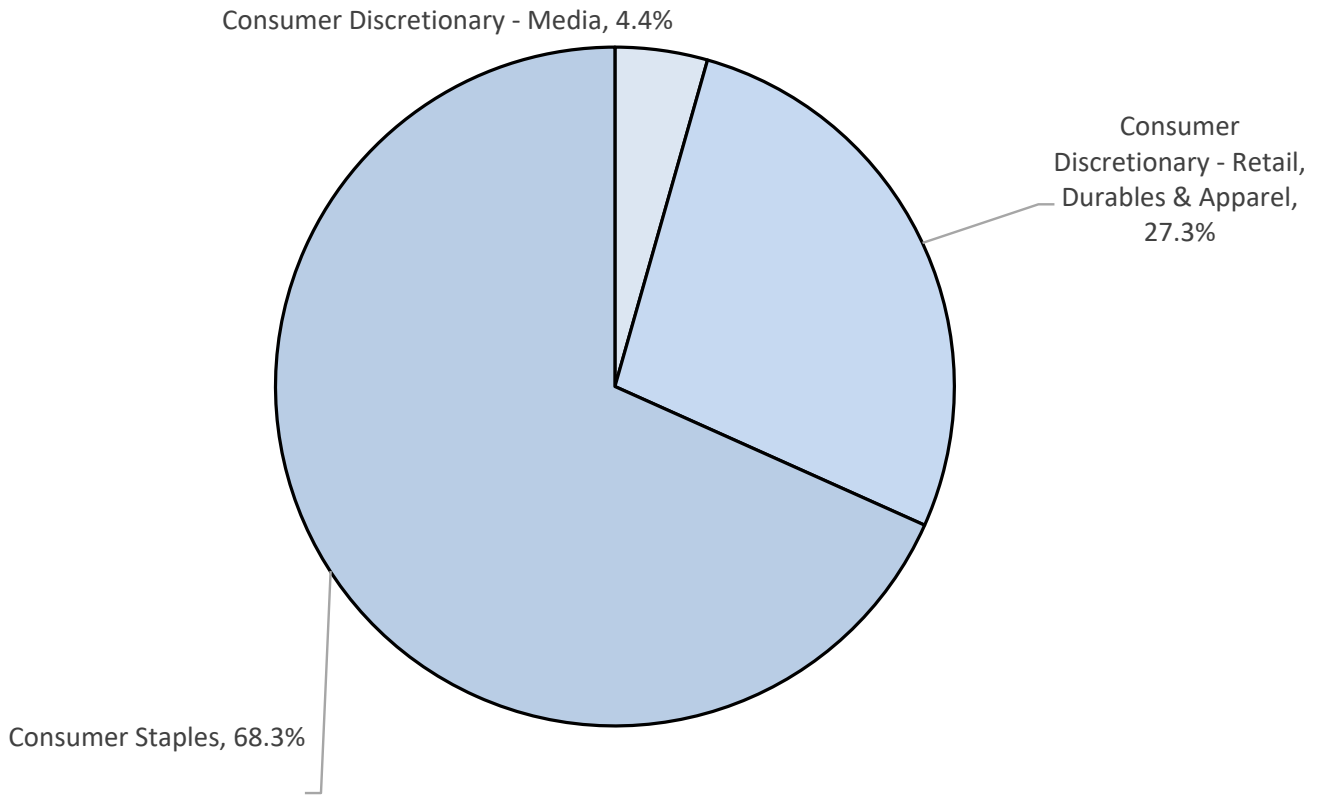
VPEG has remaining interests with two Private Equity funds. This includes interests in two underlying company investments and the residual holding of a further previously exited portfolio company. As a result, VPEG's Private Equity portfolio and commitments, as at 31 March 2022, were as follows:

| Private Equity Fund Name | Fund / Deal Size | Vintage Year | Investment Focus | VPEG Commitment | Capital Drawn Down | Total No. of Investee Companies | No. of Exits |
|-------------------------------|------------------|--------------|--|-----------------|--------------------|---------------------------------|--------------|
| Advent V | \$300m | 2006 | Lower to Mid Market Expansion / Buyout | \$4.0m | \$4.00m | 8 | 8 |
| Archer Capital Fund 4 | \$1,360m | 2007 | Mid Market Buyout | \$8.0m | \$7.27m | 10 | 10 |
| Catalyst Buyout Fund 2 | \$438m | 2008 | Mid Market Buyout | \$8.0m | \$6.38m | 7 | 5 |
| Crescent Capital Partners III | \$400m | 2006 | Lower to Mid Market Expansion / Buyout | \$4.0m | \$3.95m | 6 | 6 |
| Equity Partners Fund No. 3 | \$76m | 2007 | Lower Market Expansion / Buyout | \$4.0m | \$3.69m | 6 | 6 |
| Next Capital II | \$285m | 2008 | Lower to Mid Market Expansion / Buyout | \$7.0m | \$6.18m | 7 | 7 |
| Quadrant Private Equity No. 2 | \$500m | 2007 | Lower to Mid Market Expansion / Buyout | \$8.0m | \$7.06m | 5 | 5 |
| Total | | | | \$43.0m | \$38.53m | 49 | 47 |

INDUSTRY SPREAD OF VPEG'S UNDERLYING INVESTMENTS

Due to the sale of Archer Capital Fund 4's portfolio company Supercars during the December 2022 quarter, VPEG's portfolio is now spread across three industry sectors.

As a result, the "Consumer Staples" industry sector consisting of underlying investment Vesco Foods, represented VPEG's largest industry sector exposure at 68.3% at quarter end.



Figure; Industry exposure of VPEG's underlying investments

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