

1 November 2023

ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Regal Partners Announces Partnership with Taurus Funds Management; Group FUM to Increase to \$8.0bn

Regal Partners Limited (ASX:RPL) (“RPL”, “Regal Partners” or the “Company”) is pleased to announce it has entered into an agreement to acquire 50% of the issued ordinary shares of Taurus SM Holdings Pty Limited (“Taurus Funds Management” or “Taurus”), a specialist provider of financing solutions to global mid-tier and junior mining companies.

Established in 2006 and headquartered in Sydney, Taurus currently manages \$2.3bn in committed and drawn capital from its client base of predominantly US institutional investors and pension funds. The acquisition will further expand Regal’s existing capabilities across alternative investment strategies, specifically in credit and resources royalties. On completion, Regal Partners’ group funds under management (“FUM”) will increase to \$8.0 billion¹ on a pro forma basis.

Regal Partners’ Chief Executive Officer (“CEO”) Brendan O’Connor said “Taurus represents an exciting and accretive opportunity for Regal Partners to further expand its existing investment capabilities across the global resources sector. The founders of Taurus have built a highly experienced 23-person team, with a strong performance track record and proven fund-raising capability across blue-chip, US-based institutional investors. While the Taurus funds will continue to operate under the management of its existing investment team, we look forward to exploring possible ways to collaborate in the future, leveraging the extensive networks and deal origination pipelines across both businesses. The addition of Taurus further supports Regal Partners’ aim to be the leading provider of alternative investment strategies in Australia and Asia, as well as increasing the group’s exposure to attractive offshore markets, including North America.”

Regal Partners expects the acquisition to be accretive to its earnings per share (“EPS”) in 2024, pre any synergies. The transaction will be fully funded by cash and investments on balance sheet and is expected to complete in early November 2023.

Michael Davies, Taurus’ co-founder, said “The Taurus team is pleased to be partnering with Regal Partners in the next exciting phase of our firm’s development. Regal Partners, as an Australian-domiciled, diversified alternative investment management firm with extensive experience in investing in the mining industry, is the ideal partner. We look forward to making a significant contribution to achieving Regal Partners’ growth aspirations over the coming years.”

Further details on Taurus and the acquisition are set out overleaf.

¹ Pro forma funds under management (FUM) data is for 30 September 2023, includes 100% of Taurus Funds Management and is approximate, rounded and has not been audited. FUM for the group (including 100% of Kilter Rural, Attunga Capital and Taurus Funds Management) includes non-fee earning funds.



TRANSACTION OVERVIEW

Regal Partners has entered into an agreement to purchase 50% of the issued ordinary shares in Taurus, a specialist provider of financing solutions to global mid-tier and junior mining companies. Founded in 2006 by Michael Davies, Gordon Galt and Rohan Menon, the business has developed a strong track record of investing within the resources sector, across a variety of innovative capital structures.

Headquartered in Sydney, Australia, the firm retains satellite offices in the UK, Europe and the Cayman Islands, servicing institutional investors in North America.

Regal Partners' ownership interest in Taurus has been acquired from M.D. Sass Finstrat Taurus Holdings, LLC ("FinStrat"), a joint venture between M.D. Sass and Macquarie Financial Strategies.

The upfront consideration for the Taurus acquisition is approximately \$28 million cash, subject to net debt and working capital adjustments, with deferred contingent consideration with respect to the after-tax carry of certain funds paid in cash.

KEY INVESTMENT STRATEGIES

Taurus' primary investment strategies seek to provide financing solutions across the capital structure, with investments incorporating private credit ("mining finance"), royalties and private equity. Since 2006, Taurus has raised a cumulative US\$2.9 billion in committed capital across a range of closed-ended funds, typically with fund tenors of 7 to 10 years. The firm's investor base predominantly comprises institutional investors from the US, including US state and country pension funds, with many instances of clients making additional and larger investments into subsequent funds.

Today, Taurus manages \$2.3 billion (US\$1.5 billion) of fee-earning capital across mining finance, mining royalties and private equity.

TRANSACTION RATIONALE

Significant Expansion of Resources Investment Capability. Taurus is a well recognised industry leader in the provision of innovative financing solutions for the global mid-tier and junior mining sectors, complementing Regal Partners' existing experience and position as one of the largest providers of equity capital to the ASX-listed resources sector. Taurus' deep industry networks, technical expertise and extensive track record in investing across private credit, royalties and private equity is expected to provide compelling broader investment opportunities for RPL, building on the recent launches of Regal Partners' existing credit and royalties strategies.

Access to Institutional and Family Office Investor Bases, Leveraging Existing Distribution Hubs. Taurus remains well supported by US institutional investors and pension funds, with in excess of US\$2.9 billion of committed capital raised since inception. Significant opportunities exist for both Taurus and Regal Partners to broaden their existing investor base, with Taurus able to leverage Regal Partners' existing distribution footprint in Australia and Asia, and Regal Partners having the ability to utilise Taurus' existing and well-regarded team and client relationships throughout North America.

Increased Exposure to Structurally Attractive Sector Thematics. Regal Partners remains highly constructive on the long-term outlook for the broader mining and resources sector, underpinned by a structural undersupply of new production in critical minerals, and an increased tightening in capital availability from traditional providers of equity and debt to the sector. On completion of the acquisition, Regal Partners and Taurus will together manage approximately \$3 billion in resources-focused strategies, covering long/short equities, private credit and resources royalties strategies, with the ability to provide global resource companies with a diversified range of funding solutions.

Value Creation for RPL Shareholders. The acquisition of 50% of the issued ordinary shares in Taurus is expected to be accretive to RPL's earnings per share in 2024, pre any synergies.



CONSIDERATION AND FINANCING

RPL has agreed to acquire 50% of the issued ordinary shares in Taurus for the following cash components:

- Upfront consideration of approximately \$28 million, plus net debt and working capital adjustments; and
- Deferred contingent consideration equal to 25% of the after-tax share of any future carry that would have been received by FinStrat with respect to certain funds had it remained a shareholder of Taurus.

The upfront components will be funded from RPL's existing cash and investments on balance sheet. Broadly speaking, the deferred contingent consideration is intended to operate as a pass-through, so is not anticipated to draw on RPL's cash balances.

FINANCIAL IMPACT

Taurus is typically paid management fees on a committed capital basis during the first 5 years of the fund, and then on invested capital for the remainder of the fund's life. Management fees typically range from 1% to 1.5% per annum and Taurus may also be eligible to earn carry, or a share of profits, equal to 20% of investment returns after the investors have received a stated preferred return.

In the 12 months to June 2023, Taurus earned management fees of \$25 million (a 1.07% average fee margin). Performance fees of \$1.4 million were modest over the year but have the potential to increase in future if carry is realised. Taurus' net profit after tax (normalised to RPL's definition and post adjusting for outside equity interests) was \$2.5 million.

Regal Partners expects the transaction to be accretive to RPL's earnings per share. While Regal Partners anticipates limited cost synergies, over time there may be additional benefits from identifying opportunities for Taurus to collaborate with Regal Partners' existing teams across resources royalties, private credit and resources long/short equities.

TIMETABLE

Completion of the acquisition is currently expected to occur in early November 2023, with the terms of the transaction being unconditional. The transaction does not require any regulatory approvals.

Upon deal completion, Regal Partners' CEO, Brendan O'Connor, will join the Taurus board of directors.

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ABOUT REGAL PARTNERS LIMITED

Regal Partners Limited is an ASX-listed specialist alternatives investment manager. Formed on 3 June 2022 following the merger of VGI Partners and Regal Funds Management, the group manages a broad range of investment strategies covering long/short equities, private markets, real & natural assets and credit & royalties on behalf of institutions, family offices, charitable groups and private investors.

The group houses four dedicated alternative investment management businesses – Regal Funds Management, VGI Partners, Kilter Rural and Attunga Capital – together employing approximately 110 employees, including over 50 investment professionals, located in offices across Sydney, Victoria, Singapore, Hong Kong and New York.

Combining deep industry experience, extensive networks and multi-award-winning performance track records, Regal Partners seeks to be a leading provider of alternative investment strategies in Australia and Asia.

Regal Partners Limited (ASX:RPL)

Partnership with Taurus Funds Management;
Regal Partners' Group FUM to Increase to \$8.obn

1 November 2023

Disclaimer



The information in this presentation (Information) has been prepared by Regal Partners Limited (ABN 33 129 188 450) (Regal Partners) and is current as at the date of this presentation. All currency data in this presentation is in Australian dollars (A\$) unless stated otherwise.

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1

PARTNERSHIP WITH TAURUS FUNDS MANAGEMENT, INCREASING GROUP FUM TO \$8.0 BILLION¹

- Acquisition of 50% of **Taurus Funds Management (Taurus)**, a specialist provider of financing solutions to global mid-tier and junior mining companies.
- Established in 2006 and headquartered in Sydney, Taurus currently manages **\$2.3bn** in committed and drawn capital from its client base of predominantly US institutional investors and pension funds.
- Acquisition increases RPL's pro forma **funds under management (FUM) to \$8.0bn¹**, as at 30 September 2023.

2

HIGHLIGHTS AND RATIONALE

- **Significant expansion of resources investment capability**, complementing RPL's existing experience and position as one of the largest providers of equity capital to the ASX-listed resources sector.
- **Highly complementary client base**, predominantly institutional pension investors in the US, diversifying RPL's channel mix and providing opportunities for collaboration and cross-sell opportunities, significantly enhancing transaction potential.
- **Increased exposure to structurally attractive sector thematic**s: Regal remains highly constructive on the outlook for the broader mining and resources sector, and on completion RPL will manage approximately \$3bn in resources strategies across long / short equities, credit and royalties.
- **Expected to be financially accretive to RPL's earnings per share in 2024**, pre any synergies.

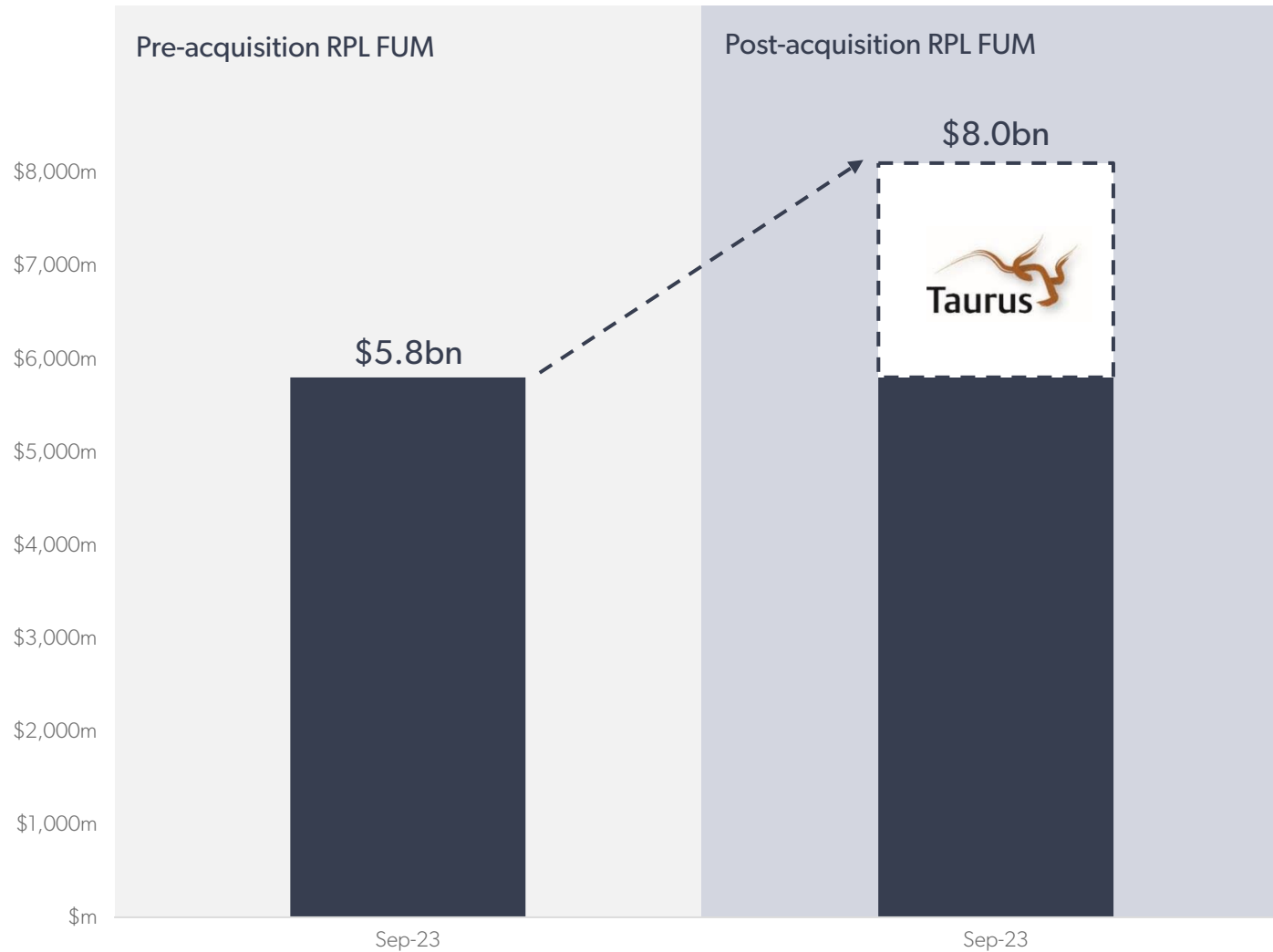
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TRANSACTION FINANCING & TIMETABLE

- Acquisition **fully funded by cash and investments on balance sheet**.
- Deal completion is targeted for **early November 2023**.

1. Pro forma funds under management (FUM) data is for 30 September 2023, includes 100% of Taurus Funds Management and is approximate, rounded and has not been audited. FUM for the group (including 100% of Kilter Rural, Attunga Capital and Taurus Funds Management) includes non-fee earning funds.

Group FUM accelerated to \$8.0bn¹



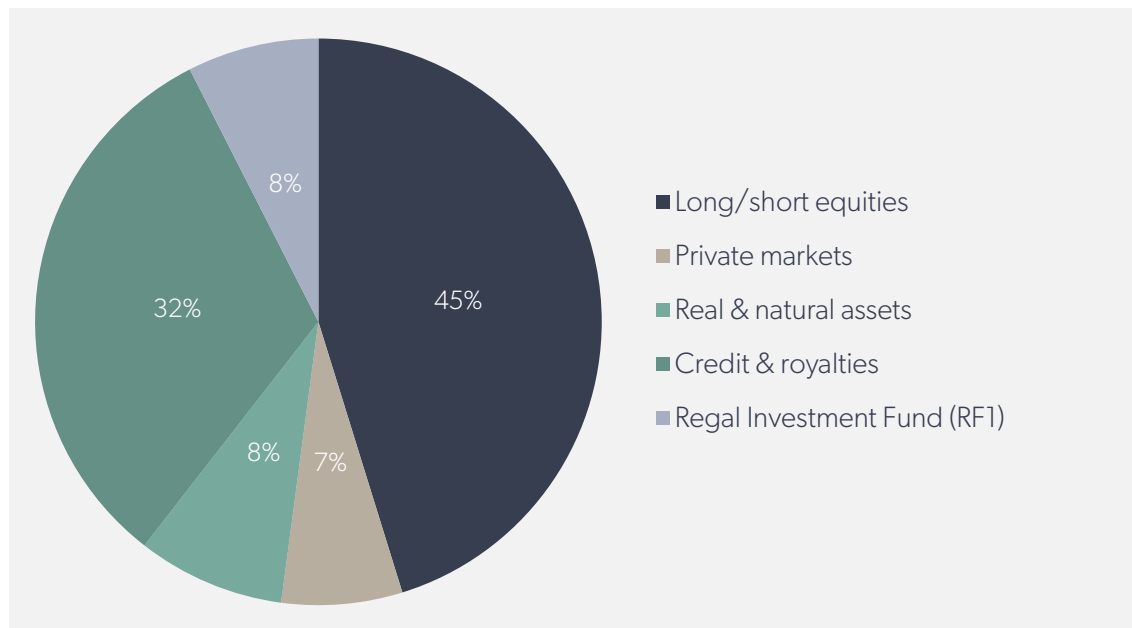
OVERVIEW	TAURUS
Founded	2006
FUM ¹	\$2.3bn
Employees	23
Investment Professionals	9 + 7 technical directors
Offices	Australia, Europe, UK, Cayman
Core Strategies	Mining finance (private credit), mining royalties
Asset Class	Credit & royalties
Key Clients	US institutional
Average Mngt Fee ²	1.07%

1. Unaudited Management estimate of FUM as at 30 September 2023. FUM for the RPL group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds. Taurus FUM is included on a 100% basis.

2. Based on Total FUM and for the 12 months to 30 June 2023.

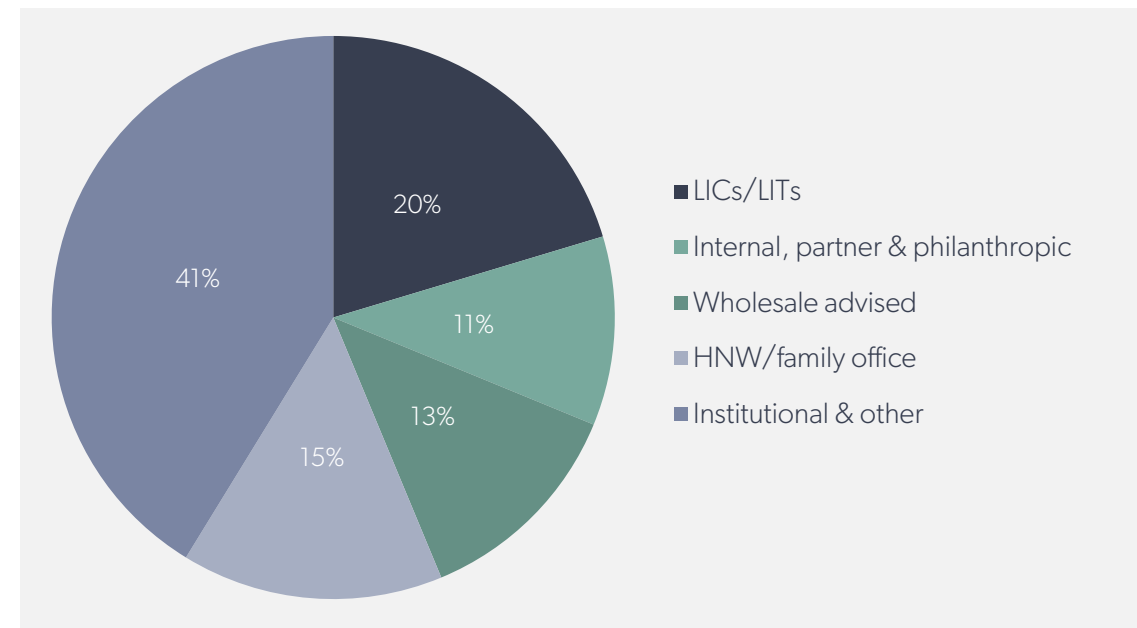
Accelerates diversity of FUM across asset class and channel¹

PRO FORMA FUM BY ASSET CLASS



	PRE-ACQUISITION	REGAL PARTNERS	TAURUS	POST-ACQUISITION
Long/short equities		63%	-	45%
Private markets		8%	3%	7%
Real & natural assets		12%	-	8%
Credit & royalties		6%	97%	32%
Regal Investment Fund (RF1)		10%	-	8%

PRO FORMA FUM BY CLIENT CHANNEL



	PRE-ACQUISITION	REGAL PARTNERS	TAURUS	POST-ACQUISITION
Listed companies and trusts		28%	-	20%
Internal, partner & philanthropic		15%	-	11%
Wholesale advised		17%	-	13%
HNW/family office		21%	-	15%
Institutional & other		18%	100%	41%

1. Unaudited Management estimates of FUM as at 30 September 2023. FUM for the RPL group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds. Taurus FUM is included on a 100% basis.

Pro forma combined financials

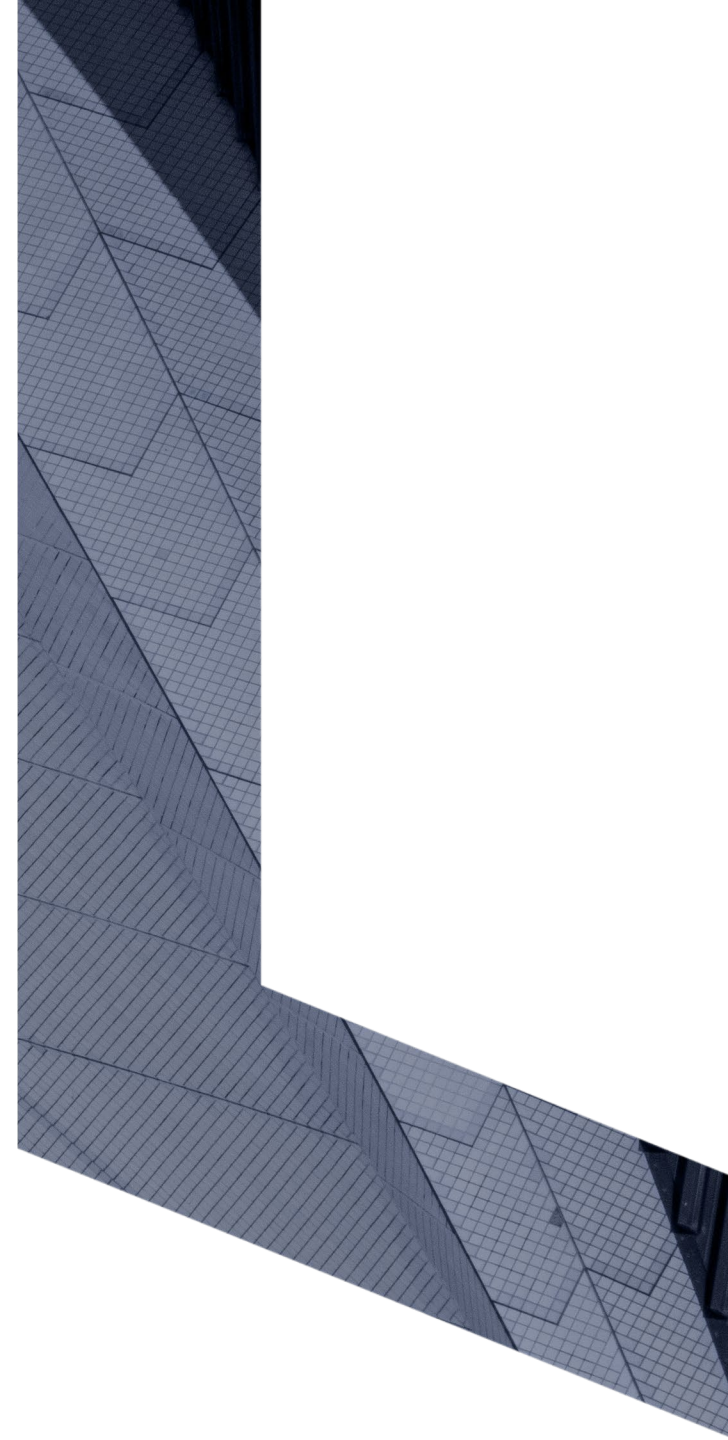
Pre-synergies

METRICS SHOWN PRE-SYNERGIES	REGAL PARTNERS ¹	TAURUS ²	PRO FORMA
Funds Under Management (as at 30 September 2023)			
FUM	\$5.8bn	\$2.3bn	\$8.0bn
Fee-earning FUM	\$5.0bn	\$2.3bn	\$7.3bn
Key Normalised P&L Metrics (year to 30 June 2023)			
Average FUM (including non-fee earning)	\$5.3bn	\$2.3bn	\$7.6bn
Management fees (to 30 June 2023)	\$59.2m	\$25.0m	\$84.2m
Management fee margin	1.12%	1.07%	1.11%
Performance fees	\$22.5m	\$1.4m	\$23.9m
Normalised net profit before tax	\$44.5m	\$9.9m	\$54.4m
Normalised NPAT attributable to RPL shareholders	\$31.3m	\$2.5m	\$33.8m

- Management fee margin is based on Total FUM including non-fee earning FUM.
- Normalised NPAT attributable to RPL adjusts for outside equity interests as applicable for RPL and Taurus.
- Performance fees reflects fees crystallised during the period.

1. Regal Partners data per RPL's normalised financials previously released at its 2022 and 1H23 results. 2. Data for Taurus is prepared on a statutory basis for the 12 months ended 30 June 2023, and NPAT is based on an unaudited adjustment for outside equity interests that would not have been attributable to RPL shareholders.

Business & Transaction Summary



Taurus business overview

A specialist provider of finance solutions to global mid-tier and junior mining companies

REGAL
PARTNERS

HIGHLIGHTS

2006
Founded

23
Staff

3
Continents

FUNDS UNDER MANAGEMENT

\$US1.5bn (A\$2.3bn)



OVERVIEW

- Headquartered in Australia, with satellite offices in the UK, Europe and the Cayman Islands, servicing institutional investors in North America.
- Since 2006, Taurus has raised over US\$2.9bn of committed and drawn capital for various term-based funds, principally from US state and county pension clients. Each fund typically runs for a term of 7-10 years.
- 23 staff including 9 investment staff, 7 technical directors, 6 operations staff and 1 Head of Investor Relations, as well as a number of contractors that support the business. Three founding principals:
 - Michael Davies (Mining Finance CIO) – previously held senior executive roles at Barclays/BZW and ABN Amro
 - Gordon Galt (Private Equity CIO) – mining engineer who became CEO of Newcrest Mining before joining ABN Amro as Director of Energy and Chemicals for Australasia
 - Rohan Menon (COO) – previously held analyst roles at ABN Amro, ANZ, Rothschild, WestLB and Mercer

EXAMPLES OF RECENT INVESTMENTS



US\$200m
Africa - Gold



US\$400m
Africa - Gold

TORO
GOLD

US\$150m
Africa - Gold

Robex.

US\$35m
Africa - Gold



US\$110m
Australia - Lead



US\$120m
Australia - Gold

Transaction summary

OVERVIEW

- Regal Partners has agreed to acquire 50% of the issued ordinary shares of Taurus SM Holdings Pty Limited (“Taurus Funds Management” or “Taurus”), a specialist provider of financing solutions to global mid-tier and junior mining companies, including private credit (“mining finance”), mining royalties and private equity. Established in 2006, Taurus currently manages \$2.3 billion in committed and drawn capital from its client base of predominantly US institutional investors and pension funds, with offices located across Australia, UK, Europe and the Cayman Islands.

CONSIDERATION

- Cash consideration for the 50% stake:
 - Upfront consideration of \$28m plus net debt and working capital adjustments; and
 - Deferred contingent consideration equal to 25% of the after-tax share of any future carry that would have been received by the vendor with respect to certain funds had it remained a shareholder of Taurus.

FINANCING

- The upfront components will be funded from RPL’s existing cash and investments on balance sheet. Broadly speaking, the deferred contingent consideration is intended to operate as a pass-through, so is not anticipated to draw on RPL’s cash balances.

TIMETABLE

- Deal completion is unconditional and is currently expected to occur in early November 2023.

FINANCIAL IMPACT

- The transaction is expected to be accretive to RPL’s earnings per share in 2024, pre any synergies.

ACCOUNTING

- Today, Taurus manages US\$1.5bn (A\$2.3bn) of fee-earning committed and drawn capital (FUM). Taurus is typically paid management fees on a committed capital basis during the first five years and then on invested capital for the remainder of the fund’s life. Management fees typically range from 1%-1.5% p.a. and Taurus may also be eligible to earn carry (a share of profits) equal to 20% of investment returns after the investors have received a stated preferred return.
- In the 12 months to June 2023, Taurus earned management fees of \$25m (1.07% average fee margin). Performance fees of \$1.4m were modest over the year but have the potential to increase in future if carry is realised. Taurus’ net profit after tax (normalised to RPL’s definition and post adjusting for outside equity interests) was \$2.5m¹.
- RPL currently intends to include Taurus’ P&L within RPL’s normalised P&L format using a line-by-line consolidation format.

1. Unaudited based on management estimate/adjustment.

Transaction rationale

1 Significant expansion of resources investment capability

- Taurus is a well recognised industry leader in the provision of innovative financing solutions for the global mid-tier and junior mining sectors.
- Complements Regal Partners' existing experience and position as one of the largest providers of equity capital to the ASX-listed resources sector.
- Taurus' deep industry networks, technical expertise and extensive track record in investing across private credit, royalties and private equity is expected to provide compelling broader investment opportunities for RPL, building on the recent launches of Regal Partners' existing credit and royalties strategies.

2 Access to institutional US investors, leveraging distribution hubs

- Taurus remains well supported by US institutional investors and pension funds across North America, raising in excess of US\$2.9bn of committed capital since inception.
- Significant opportunities exist for both Taurus and Regal Partners to broaden their existing investor base, with Taurus able to leverage Regal Partners' existing distribution footprint in Australia and Asia, while Regal Partners may also seek to utilise Taurus' existing and well-regarded team and client relationships throughout North America.

3 Increased exposure to structurally attractive sector thematics

- Regal remains highly constructive on the long-term outlook for the broader mining and resources sector, underpinned by a structural undersupply of new production in critical minerals and an increased tightening in capital availability from traditional providers of equity and debt to the sector.
- On completion of the transaction, Regal Partners and Taurus will together manage approximately \$3bn in resources-focused strategies, covering long/short equities, private credit and resources royalties strategies, with the ability to provide global resource companies with a diversified range of funding solutions.

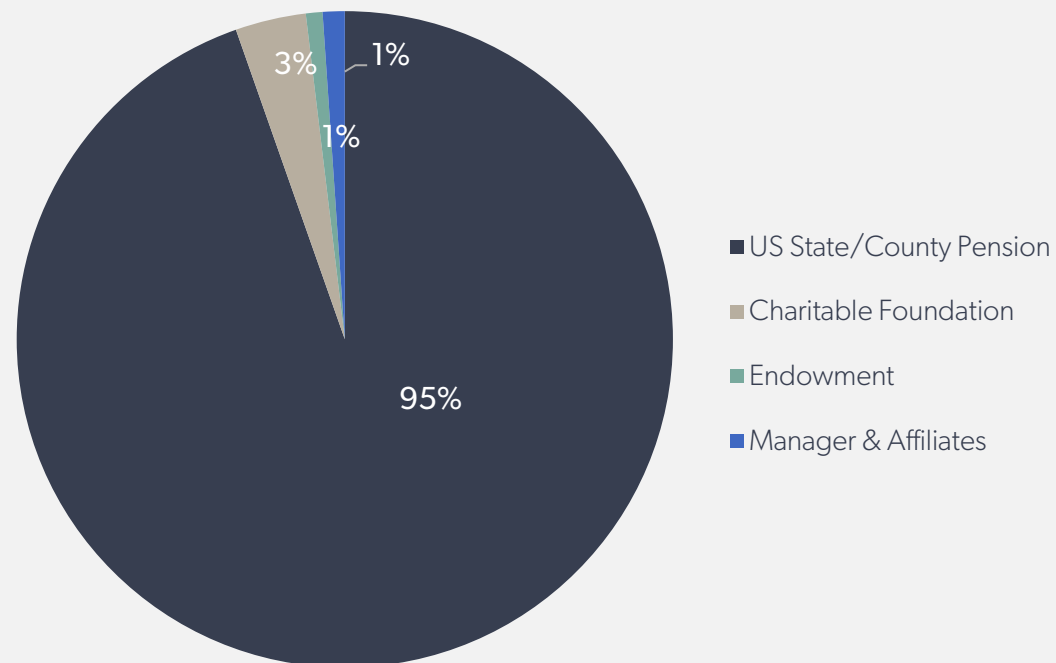
4 Value creation for RPL shareholders

- The acquisition of 50% of the issued ordinary shares in Taurus is expected to be accretive to RPL's earnings per share in 2024, pre any synergies.

Strong relationships with “blue chip” clients

Attractive mix of returning clients and new business

TAURUS COMMITTED CAPITAL FROM PRIVATE CREDIT AND ROYALTIES RAISINGS¹



Investor base primarily
US institutional investors
with growing presence among non-
US institutions

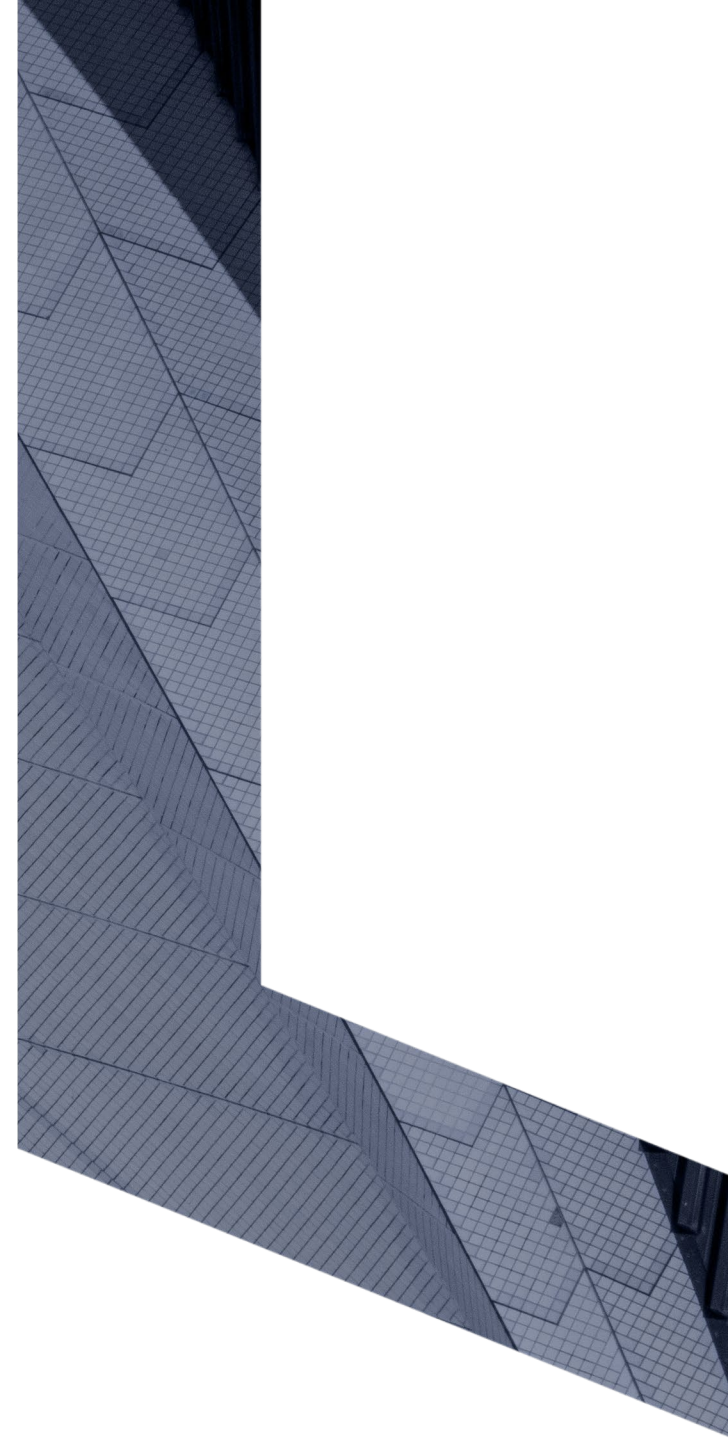
4 of top 5
investors in TMFF2 invested across all
3 three Mining Finance Funds

60% of TMFF2 clients
were returning clients

3 of above 4
increased commitment size from
TMFF1 to TMFF2

1. Based on committed capital (in US\$m) for Taurus Mining Finance Fund No. 1 (“TMFF1”), Taurus Mining Finance Annex Fund, Taurus Mining Finance Fund No. 2 (“TMFF2”) and Taurus Mining Royalty Fund.

Update and Outlook



Regal Partners Group Update

Growth focused strategy remains unchanged

➤ Maintain current fundraising momentum

➤ Seed new strategies / partnerships

➤ Continue investment in distribution

➤ Inorganic growth opportunities

➤ Attract & retain the best talent

- **September 2023 FUM Update:** During the September 2023 quarter, funds under management remained flat at \$5.8¹ billion. Positive net flows were received across a range of funds, including the Regal Resources Royalties Fund, the Regal Tactical Opportunities Fund and the Regal Australian Small Companies Fund. Positive flows were offset by redemptions from two individually managed accounts managed by VGI Partners.
- On 30 October 2023, Regal Partners confirmed it was in discussions with **PM Capital** in relation to a potential transaction. These discussions remain ongoing and are significantly progressed. However, there is no guarantee that, following these discussions, a transaction will be agreed.
- Organic growth opportunities through the December quarter are expected to be supported further by two new product launches:
 - **Regal Resources High Conviction Fund**
 - **Regal Partners Private Fund**

