

PRESS RELEASE
9 OCTOBER 2020

EKUINAS EXITS ITS ENTIRE STAKE IN LOCAL DESSERTS AND BEVERAGES SPECIALIST, COOLBLOG

Key Highlights:-

- Ekuinas announced the divestment of its entire equity interest of 60.0% in leading, homegrown desserts and beverages specialist, Coolblog Apps Sdn Bhd (Coolblog) to Archipelago Capital Partners (Archipelago), based on the equity value of RM75.0 million.
- The divestment of Coolblog has generated an Internal Rate of Return (IRR) of 6.4% and a money multiple of 1.4 times the capital invested.
- Over the years, Ekuinas has also worked closely with Coolblog to assist Malaysian and Bumiputera entrepreneurs to be business owners and create sustainable income through Coolblog's franchising model.
- The size and affordability of this take-away kiosk concept and franchise model also allowed Coolblog to scale and increase their business presence and access to different cities and smaller towns in Malaysia.
- Coolblog is currently one of the leading brands in the desserts and beverages kiosk market with over 270 stores in Malaysia, offering more than 25 flavours and over 300 product variants.

KUALA LUMPUR, 9 OCTOBER 2020: Ekuiti Nasional Berhad (Ekuinas) announced the divestment of its entire equity interest of 60.0% in leading, homegrown desserts and beverages specialist, Coolblog Apps Sdn Bhd (Coolblog) to Archipelago Capital Partners (Archipelago), based on the equity value of RM75.0 million.

Archipelago is a private equity investment firm, which invests in promising small to mid-market companies in South East Asia, focusing on consumer goods & services, financial services and industrial & logistics.

Syed Yasir Arafat Syed Abd Kadir, Chief Executive Officer of Ekuinas said, "Our investment in Coolblog has reached its maturity for divestment and we have implemented our value creation plan. It is also part of our careful investment strategy to secure positive Internal Rate of Return (IRR), in line with our move to crystallise our assets under Ekuinas Direct (Tranche II) Fund."

He added, “Based on its strong track record in the fast moving consumer goods (FMCG), experience in the Business-to-Consumers (B2C) retail space as well as in-house expertise in the food and beverage (F&B) sector, Archipelago has been selected as the right partner to advance and accelerate the performance of Coolblog. We are pleased to have Archipelago take over the reins of Coolblog’s continued growth in Malaysia and across the region.”

This divestment has generated an Internal Rate of Return (IRR) of 6.4% and a money multiple of 1.4 times the capital invested. Throughout the investment period, Ekuinas has successfully delivered on its value creation plans for the company. The main areas of focus within the plan included streamlining the operational processes and systems, corporate outlet expansion and penetration into new mass market regions, as well as enhancements in its product offerings and marketing strategies. Notably, the transaction was executed and completed in the midst of a national lockdown, which goes to show Coolblog’s business resilience and viability.

Targeted at Malaysia’s mass market, Coolblog is currently one of the leading brands in the beverage dessert kiosk market with over 270 stores in Malaysia, offering more than 25 flavours and over 300 product variants. Ekuinas invested in Coolblog in 2014 and the business has demonstrated a strong growth trajectory backed by proven track record. Sales increased from RM34.0 million to RM46.9 million from FY2017 to FY2019 with a compound annual growth rate (CAGR) of 17.4%. This was primarily driven by growth and stronger outlet performance nationwide, coupled with innovative and successful product offerings.

Over the years, Ekuinas has also worked closely with Coolblog to assist Malaysian and Bumiputera entrepreneurs to be business owners and create sustainable income through Coolblog’s franchising model. As at mid-June 2020, Coolblog has a total of 195 franchisees, out of which, 109 are Bumiputera. The size and affordability of this take-away kiosk concept and franchise model also allowed Coolblog to scale and increase their business presence and access to different cities and smaller towns in Malaysia.

Jovasky Pang, Chief Executive Officer of Archipelago said, “We see tremendous potential in Coolblog. It has demonstrated robust growth as a business in terms of offerings and profitability. With the growing population and rising youth demographic in Malaysia, we see more opportunities to grow the business. Archipelago has been looking for the right entry-point to strengthen our regional F&B and consumer portfolio, and the opportunity to invest in Coolblog is timely. Moving forward, we will leverage our sizeable and established network across South East Asia to execute our vision and strategy for the company. We look forward

to working closely with the management team, franchisees, suppliers and other stakeholders to continue the successful growth of Coolblog.”

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About Ekuiti Nasional Berhad

EkuiNAS (Ekuiti Nasional Berhad) is a government-linked private equity fund management company established on 1 September 2009 and aims to create Malaysia’s next generation of leading companies whilst promoting equitable and sustainable Bumiputera wealth creation and economic participation. To date, EkuiNAS has undertaken investments in over 40 companies in high potential Malaysian companies involved in EkuiNAS’ core target sectors namely education, fast moving consumer goods, oil and gas, retail, healthcare, and services. In 2018, EkuiNAS was shortlisted as one of the Top 3 Southeast Asian Firms of the Year by the Private Equity International (PEI) Awards and was again shortlisted for the same award in 2019.

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