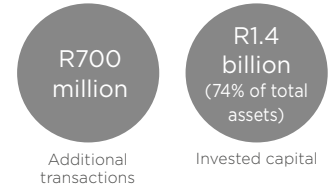


**ANNUAL FINANCIAL RESULTS  
FOR THE YEAR ENDED 30 JUNE 2018**
**MARKET INFORMATION**

Index: JSE All Share

Sector: Financials – Speciality Finance

**FINANCIAL AND OPERATIONAL HIGHLIGHTS – AT 30 JUNE 2018**

**UPDATED POST YEAR-END**


Ethos Capital is an investment holding company, registered and incorporated in Mauritius and listed on the JSE Limited (“JSE”). It invests directly into Funds or Direct Investments, managed by Ethos Private Equity (Pty) Limited (“Ethos”), which give the Company largely indirect exposure to a diversified portfolio of unlisted private equity-type investments (“Portfolio Companies”).

**OVERVIEW**

At 30 June 2018, the Group had a NAVPS of R11.00 and total assets of R1.9 billion; c.37% was invested in unlisted investments, with the balance held in Temporary Investments. After year-end, the various Ethos Funds either concluded, signed or substantially agreed terms for six transactions, which upon completion will increase the unlisted investments to 74% of total assets, providing access to 16 Portfolio Companies.

During the year, the Company made net investments of R0.4 billion into Ethos Funds and Direct Investments. The Ethos Mid Market Fund I completed three transactions in MTN Zakhele Futhi, Kevro and Echo. The Company completed its first Direct Investments in Primedia and Kevro, alongside Ethos Fund VI and Ethos Mid Market Fund I respectively; and participated in the Ethos Healthcare Platform.

Post-30 June 2018, six further transactions were signed or substantially agreed, which in total represent a R700 million investment by Ethos Capital to the extent all these transactions conclude.

Commitments to Ethos Funds of R1.7 billion at 30 June 2018 increased to R3.2 billion, following first close commitments to Ethos Fund VII (R1.25 billion), the Ethos Ai Fund I (R150 million) and a R100 million Direct Investment.

The Board’s medium-term objective is to fully invest Ethos Capital’s NAV and to focus on the full spectrum of options to enhance long-term shareholder value whilst managing the Company’s liquidity and commitment strategies in a disciplined manner. Many of the investments are in the early stages of their holding period – value-weighted average of 1.4 years – and it is anticipated that the growth in the unlisted investments should increase as the underlying Portfolio Companies start to benefit from the strategic and operational interventions that the management teams, alongside Ethos, are implementing into this relatively “young” portfolio.

The Board believes that the above, coupled with the increased investment activity and more supportive macroeconomic drivers of the portfolio valuations, should provide a catalyst to the share price that ended the year at R790; however, public market perceptions are difficult to predict.

As part of its strategy of maximising shareholder value, the Board continued its share buyback programme, and the Company has to the date of this report acquired c.4% of its issued share capital; these shares are currently held as treasury shares.

**SUMMARY OF ANNUAL RESULTS – AT 30 JUNE 2018**

	Group		Company	
	30 June 2018 R'million	*30 June 2017 R'million	30 June 2018 R'million	30 June 2017 R'million
<b>Extract of Statements of Financial Position</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Unlisted investments at fair value	711.9	307.9	711.9	307.9
<b>Current assets</b>	1 202.9	1 566.6	1 202.4	1 566.1
Trade and other receivables	22.1	26.8	22.1	26.8
Money market investments at fair value	1 167.4	1 529.3	1 167.4	1 529.3
Cash and cash equivalents	13.4	10.5	12.9	10.0
<b>TOTAL ASSETS</b>	<b>1 914.8</b>	<b>1 874.5</b>	<b>1 914.3</b>	<b>1 874.0</b>
<b>EQUITY AND LIABILITIES</b>				
Total Ordinary shareholders’ equity	1 772.7	1 732.1	1 907.7	1 867.1
Non-current liabilities	135.5	135.4	-	-
Current liabilities	6.6	7.0	6.6	6.9
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 914.8</b>	<b>1 874.5</b>	<b>1 914.3</b>	<b>1 874.0</b>
<b>NET ASSET VALUE</b>	<b>1 772.7</b>	<b>1 732.1</b>	<b>1 907.7</b>	<b>1 867.1</b>
<b>Basic net asset value per share (Rand)</b>	<b>11.00</b>	<b>10.41</b>	<b>10.93</b>	<b>10.37</b>

\* Restated

**UNDERLYING PORTFOLIO COMPANIES – AT 30 JUNE 2018**

Name	Business description	Year	% of total assets
Kevro	Corporate clothing and promotional gifting	2017	10.4
Primedia	Broadcasting and outdoor media	2017	9.8
AutoZone	Automotive parts retailer and wholesaler	2014	4.5
Twinsaver	FMCG manufacturing	2015	3.2
MTN Zakhele Futhi	Telecommunications	2017	2.2
Eazi Access	Industrial support services	2016	2.0
			<b>32.1</b>
Other (7 Portfolio Companies)			5.1
<b>Total underlying investments</b>			<b>37.2</b>

**INVESTMENT PORTFOLIO – AT 30 JUNE 2018**

Name	Commitment R'million	Valuation R'million	% of NAV
Ethos Mid Market Fund I	950.0	320.1	16.7
Primedia Holdings (Pty) Ltd	171.1	175.8	9.2
Ethos Mid Market Fund I Direct	100.0	105.3	5.5
Ethos Fund VI	138.1	82.2	4.3
Ethos Healthcare Platform	30.0	28.5	1.5
	<b>1 389.2</b>	<b>711.9</b>	<b>37.2</b>

**PORTFOLIO COMPANY INVESTMENTS**

**THE ADVISOR: ETHOS**

Ethos acts as Ethos Capital’s Investment Advisor. In addition, Ethos is the Manager of the Funds that Ethos Capital invests in. Ethos is an investment firm that manages investments in private equity and credit strategies in South Africa and other sub-Saharan African countries. Ethos has a 34-year history and an unparalleled record of successful, sustainable investing across economic and political cycles that has delivered 96 realised investments at a 36.3% gross IRR and a 2.7x multiple of cost.

**RESPONSIBILITY STATEMENT**

This short-form announcement is the responsibility of the Directors of Ethos Capital and is only a summary of the information in the full announcement and does not contain full or complete details. The full announcement was released on SENS on 28 September 2018, and can be found on the Company’s website at: [www.ethoscaps.com](http://www.ethoscaps.com). Copies of the full announcement may also be requested from the Company Secretary (represented by Kevin Allagapen) at no charge at +230 (0) 403 6000 or [kevin.allagapen@ocorian.com](mailto:kevin.allagapen@ocorian.com), during office hours. Any investment decision should be based on the full announcement published on SENS and on the Company’s website.

28 September 2018

**SPONSOR**

**DIRECTORATE AND ADMINISTRATION**

Registered office: Ethos Capital, 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius  
Directors: Yvonne Stillhart (Chairperson), Derek Prout-Jones, Kevin Allagapen, Michael Pfaff, Yuvraj Juwaheer

[www.ethoscaps.com](http://www.ethoscaps.com)
**INCORPORATED IN THE REPUBLIC OF MAURITIUS**

REGISTRATION NUMBER: C138883 C1/GBL  
ISIN: MU0522S00005  
SHARE CODE: EPE

[www.ethoscaps.com](http://www.ethoscaps.com)

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