

**R1.8 billion** carrying value  
of invested capital, with  
**22** Portfolio Companies

**R9.19 NAVPS** at Brait’s NAVPS,  
and **R6.67 NAVPS**  
at Brait’s share price

**7.3x EV/EBITDA**  
valuation multiple of unlisted  
portfolio

**27% LTM EBITDA**  
growth of top **5** unlisted  
investments

Ethos Capital is an investment company, registered in Mauritius, that is listed on the Johannesburg Stock Exchange (“JSE”) and offers shareholders long-term capital appreciation by making commitments and investments into Funds or Co-Investments that are managed by Ethos Private Equity (Pty) Limited (“Ethos”), providing the Company with largely indirect exposure to a diversified portfolio of unlisted private equity-type investments (“Portfolio Companies”). The Group’s performance is largely measured by the growth in the net asset value (“NAV”) and NAV per share (“NAVPS”).

## OVERVIEW

The past year has been a rollercoaster for the economic fortunes of Ethos Capital’s Portfolio Companies. A significant majority of them have seen strong operating performance and growth post the initial hard lockdowns imposed by governments around the world. The benefit of the cost-saving initiatives and improved operating leverage has manifested in stronger than expected recoveries across many of these businesses. However, some of these Portfolio Companies were impacted by the recent social unrest across South Africa, the indirect impacts of which will

be felt for some time to come. Furthermore, a number of these companies have continued to be adversely impacted by the COVID-enforced lockdowns and restrictions on normal consumer access.

While the COVID pandemic resulted in closures across most of the Portfolio Companies during the lockdown periods, the majority posted strong recoveries with the largest five unlisted investments (equating to 61% of total assets) achieving growth in their attributable last 12 months (“LTM”) revenue and EBITDA of 14% and 27% respectively in the year to 30 June 2021. As at 30 June 2021, the implied EV/maintainable EBITDA of the unlisted portfolio that is valued on an earnings-based methodology, increased slightly to 7.3x and the implied price earnings ratio is 12.5x.

Ethos Capital’s unlisted portfolio achieved a 7% return for the year. The reduction in the valuation of the COVID-impacted assets (Kevro, Twinsaver, Ster Kinekor and Primedia) negatively impacted the total return by 8%, implying a 15% return for the remainder of the unlisted portfolio. This was achieved despite the negative impact on the Channel VAS valuation, due to the strengthening of the ZAR:US\$, which reduced

the return by 8%. The Ethos Capital NAVPS, including Brait at its last reported NAVPS that decreased by 4% during the year, increased from R9.12 to R9.19. The Ethos Capital NAVPS, including Brait at its share price that declined by 14% over the year, increased from R6.65 to R6.67.

During the year, Ethos Capital received proceeds of R150 million from various disposals, the largest of which was the partial sale of Channel VAS in December 2020 for c.R76 million, which achieved a 1.6x MOIC and an IRR of 25%. While the investment environment was subdued, Ethos Capital invested c.R29 million, including four acquisitions that were completed within the existing portfolio.

The impact of COVID is likely to be felt for some time and the macroeconomic outlook for South Africa, while improving, remains volatile. However, it is likely that the number of available investment opportunities will continue to remain robust and economic growth in other sub-Saharan African countries will also provide exciting investment opportunities for the various Funds.

## EXTRACT OF STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 June 2021 R'million	30 June 2020 R'million	30 June 2021 R'million	30 June 2020 R'million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Unlisted investments at fair value	1,827.3	1,891.7	1,827.3	1,891.7
Current assets	57.1	13.4	56.7	12.9
<b>TOTAL ASSETS</b>	<b>1,884.4</b>	<b>1,905.1</b>	<b>1,884.0</b>	<b>1,904.6</b>
<b>EQUITY AND LIABILITIES</b>				
Total Ordinary shareholders' equity	1,716.4	1,711.8	1,871.9	1,856.2
Non-current liabilities	156.0	184.9	-	40.0
Current liabilities	12.0	8.4	12.1	8.4
Total Liabilities	168.0	193.3	12.1	48.4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,884.4</b>	<b>1,905.1</b>	<b>1,884.0</b>	<b>1,904.6</b>
<b>NET ASSET VALUE</b>	<b>1,716.4</b>	<b>1,711.8</b>	<b>1,871.9</b>	<b>1,856.2</b>
Basic net asset value per share (Rand)	6.67	6.65	6.91	6.85
Attributable shares in issue ('000)	257,500	257,500	271,000	271,000

## 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 mezzanine transactions in South Africa and other sub-Saharan African countries. Ethos has a 37-year history and an unparalleled record of successful, sustainable investing across economic and political cycles that has delivered 98 realised investments at a 24% gross IRR and a 2.5x MOIC.

## 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 announcement is itself not audited but extracted from audited results. Any investment decision should be based on the full announcement published on SENS at:

<https://senspdf.jse.co.za/documents/2021/JSE/ISSE/EPEE/EPECAP0621.pdf>

and is published on the Company’s website, alongside the Annual Financial Statements and the auditor’s unqualified report including its key audit matters, at: <https://ethoscapital.mu/investors/reports-results/>

Copies of the full announcement may also be requested from the Company Secretary (represented by Mr Ravi Cunnoosamy) at no charge at +230 (0) 403 6000, during office hours, or at [ethoscapital@ocorian.com](mailto:ethoscapital@ocorian.com).

## INVESTMENT PORTFOLIO - AT 30 JUNE 2021

Name	Valuation R'million	% of total assets
<b>Primary/Secondary Investments</b>		
Ethos Fund VII	697.8	37.0
Ethos Mid Market Fund I	456.4	24.2
Ethos Healthcare Platform	137.6	7.3
Ethos Ai Fund I	98.0	5.2
Ethos Fund VI	59.8	3.2
Ethos Mezzanine Partners 3	6.8	0.4
<b>Co-Investments</b>		
Brait	214.8	11.4
Primedia/Ster Kinekor	64.3	3.4
Channel Vas Investments Ltd BVI	61.2	3.3
Kevro Holdings (Pty) Ltd	30.6	1.6
	<b>1,827.3</b>	<b>97.0</b>

## TOP 10 UNDERLYING PORTFOLIO COMPANIES - AT 30 JUNE 2021

Name	Business description	Year*	% of total assets
Channel Vas	FinTech service provider	2018	28.5
Virgin Active (Brait)	Health club operator	2020	9.5
Vertice	MedTech	2018	9.3
Echo	Corporate ISP	2018	9.1
Premier (Brait)	FMCG manufacturer	2020	9.0
Synerlytic	Specialised analytical and testing services	2019	9.0
Gammatek	TMT accessory distribution	2018	5.5
Primedia	Media	2017	3.6
Kevro	Corporate clothing and gifting	2017	3.1
Autozone	Automotive parts retailer and wholesaler	2014	2.0
			<b>88.6</b>
Other (12 Portfolio Companies)			8.4
<b>Total underlying investments</b>			<b>97.0</b>

\* Initial acquisition date by Ethos Fund



27 September 2021