

EPE CAPITAL PARTNERS LTD
INCORPORATED IN THE REPUBLIC OF MAURITIUS
REGISTRATION NUMBER: C138883 C1/GBL
ISIN: MU0522500005
SHARE CODE: EPE
("ETHOS CAPITAL" OR "THE COMPANY" OR "THE GROUP")
RESULTS FOR THE YEAR ENDED 30 JUNE 2021,
AVAILABILITY OF IAR AND AUDITED AFS, AND
NOTICE OF AGM

INTRODUCTION

EPE Capital Partners Ltd is an investment company, registered and incorporated in Mauritius as a public company. It 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 refers to the consolidated results of the Company and its deemed controlled entity.

The Group's performance is largely measured by the growth in the net asset value ("NAV") and NAV per share ("NAVPS")

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 multiple of cost.

RESULTS ANNOUNCEMENT

Key highlights

- R1.8 billion carrying value of invested capital and total assets, with exposure to 22 Portfolio Companies.
- 30 June 2021 NAVPS of R9.19, at Brait's NAVPS, and R6.67, at Brait's share price.
- Most Portfolio Companies impacted by COVID-related lockdowns in the first six months of the year with a strong recovery in the last six months.
- Positive impact on NAVPS was diluted by ZAR appreciation, Brait share price decline and COVID-related underperformance of Twinsaver, Kevro, Primedia and Ster Kinekor.
- Largest five unlisted investments (61% of total assets) achieved growth in LTM EBITDA of 27%.
- 90% (by value) of the unlisted portfolio delivered positive growth with attributable LTM EBITDA growth of 59% across the unlisted portfolio.
- Progress made on restructuring and growing the Brait portfolio of assets.
- R150 million of realisations during the year, including the partial sale of Channel VAS which achieved an IRR of 25%.

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.

FINANCIAL POSITION AND INVESTMENT PORTFOLIO

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
ASSETS				
Non-current assets				
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
TOTAL ASSETS	1,884.4	1,905.1	1,884.0	1,904.6
EQUITY AND LIABILITIES				
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
TOTAL EQUITY AND LIABILITIES	1,884.4	1,905.1	1,884.0	1,904.6
NET ASSET VALUE				
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

INVESTMENT PORTFOLIO - AT 30 JUNE 2021

Name	Valuation R'million	% of total assets
Primary/Secondary Investments		
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
Co-Investments		
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
	1,827.3	97.0

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
			88.6
Other (12 Portfolio Companies)			8.4
Total underlying investments			97.0

* Initial acquisition date by Ethos Fund

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 which is available from today 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 identified 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.

PRESENTATION

Ethos Capital will host a webcast presentation at 11h00 am on Monday 27 September 2021 covering the results relating to the year ended 30 June 2021, and outlook. A copy of the presentation will be available for download on the Company's website at <https://ethoscapital.mu/investors/reports-results/>

For their convenience on the day, participants should please register for the webcast in advance, or can join via conference call, by navigating to this website:

<https://www.diamondpass.net/8370699>

or can join the webcast directly on the day (registration details will still be required) at:

<https://services.choruscall.com/links/ethos10040592.html>

AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for the year ended 30 June 2021, the Integrated Annual Report, the Notice of Annual General Meeting and the auditor's unqualified report including its key audit matters, have all been published on the Company's website and the document is available at <https://ethoscapital.mu/investors/reports-results/> or can be obtained or requested from the Company's registered office.

The Integrated Annual Report, Annual Financial Statements and the Notice of the Annual General Meeting will be distributed on or before 19 October 2021.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ethos Capital shareholders will be held on 16 November 2021 at 14h00 via a remote interactive electronic platform, to transact the business as stated in the Annual General Meeting Notice forming part of the Integrated Annual Report and Annual Financial Statements.

Salient dates

Record date to determine which shareholders are entitled to receive the notice of annual general meeting	2021 Friday 8 October
Last day to trade in order to be eligible to attend and vote at the annual general meeting	Tuesday 2 November
Record date to determine which shareholders are entitled to attend and vote at the annual general meeting	Friday 5 November
Forms of proxy for the annual general meeting to be lodged by 14h00 on*, for administrative purposes	Friday 12 November

*any proxies not lodged by this time must be lodged by email to proxy@computershare.co.za immediately prior to the commencement of the Annual General Meeting.

CORPORATE INFORMATION

Directors

Yvonne Stillhart (Chairperson)
Derek Prout-Jones
Kevin Allagapen
Michael Pfaff
Yuvraj Juwaheer

Senior Advisors (Officers)

Jean-Pierre van Onselen (CFO)
Peter Hayward-Butt (CEO)

Investment Advisor

Ethos Private Equity (Pty) Limited
35 Fricker Road
Illovo
Johannesburg, 2196

Company Secretary and Registered Office

Ocorian
6th Floor, Tower A,
1 Cybercity
Ebene
Mauritius

Auditors

Deloitte & Touche
Level 7, Standard Chartered Tower
19 Cybercity
Ebene
Mauritius

Deloitte & Touche

5 Magwa Crescent
Waterfall City
Johannesburg, 2090

Listing

JSE Limited
Abbreviated name: ETHOSCAP
JSE code: EPE
Sector: Financials - Closed End Investments

Transfer Secretary

Computershare Investor Services Proprietary Limited
15 Biermann Avenue
Rosebank, 2196

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)
1 Merchant Place
Cnr Fredman Drive & Rivonia Road
Sandton, 2196

Disclaimer

The financial information in this announcement is itself not audited, but is extracted from the audited Annual Financial Statements.

Ebene, Mauritius (with simultaneous circulation in Johannesburg)

27 September 2021

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)