

EPE CAPITAL PARTNERS LTD

INCORPORATED IN THE REPUBLIC OF MAURITIUS

REGISTRATION NUMBER: C138883 C1/GBL

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("ETHOS CAPITAL" OR "THE COMPANY")

VOLUNTARY PERFORMANCE UPDATE AND BRAIT ANNUAL RESULTS UPDATE

Ethos Capital is an investment holding company, registered, and incorporated in Mauritius. It is listed on the Johannesburg Stock Exchange ("JSE") and offers shareholders potential long-term capital appreciation by making commitments and investments into Funds or co-investments that are actively managed by Ethos Private Equity (Pty) Limited ("Ethos"), providing the Company with exposure to a diversified portfolio of unlisted private equity type investments ("Portfolio Companies").

Below is a voluntary update of the Company since the interim results announcement published in March 2022.

Net Asset Value ("NAV") and NAV per share ("NAVPS")

The NAVPS of Ethos Capital, including the Brait PLC ("Brait") investment at its NAVPS, increased by 1% in the quarter to 31 March 2022, from R10.08 to R10.19. Financial year-to-date to 31 March 2022 ("YTD"), the NAVPS increased by c.11% from 30 June 2021 (R9.19).

Based on the Brait share price of R4.35 as at 31 March 2022, the Ethos Capital NAVPS decreased in the quarter to 31 March 2022 by c.1% from R8.26 to R8.17, with the YTD increase from the NAVPS of R6.67 at 30 June 2021 at 23%.

The Ethos Capital unlisted portfolio continued its post-Covid recovery in profitability which has resulted in a 13% increase in the unlisted valuations in the YTD period. Almost all of the Portfolio Companies achieved robust revenue and earnings growth, including Channel VAS that continued to deliver strong growth; however, its valuation was impacted by a strengthening ZAR over the quarter to March 2022 (which has subsequently reversed post the quarter-end).

Brait announced today an annual increase of c.6% in its NAVPS to R8.37 as at 31 March 2022 (31 March 2021: R7.90), with a c.3% increase over the six-months period (30 September 2021: R8.14). This increase was largely attributable to Premier Foods which grew EBITDA by 36% over the year to 31 March 2022 and with Virgin Active contributing a c.4% increase in its NAV over the last six months.

Whereas the Ethos Capital listed portfolio benefited YTD from strong share price movements in Brait (52%) and MTN Zakhele Futhi (110%), the Brait share price decreased by nearly 4% over the quarter to 31 March 2022 and the latter increased by 5%. In addition, the price of the Brait Exchangeable Bonds increased by 2% over the quarter to 31 March 2022.

The table below sets out the portfolio valuation and Company's NAVPS as at 31 March 2022:

	Ethos Capital portfolio (excl. Brait)		Brait portfolio		Combined portfolio	
	Dec 21	Mar 22	Mar 22		Mar 22	
			At R8.37	At R4.35	At R8.37	At R4.35
NAV ('million)	1,373	1,366	1,258	738	2,624	2,104
NAVPS – Rand						
Invested capital					11.96	9.94
Net liabilities					(1.77)	(1.77)
Total					10.19	8.17

Brait annual results update

Brait announced its annual results for the year ended 31 March 2022 today with its NAVPS increasing to R8.37, representing an increase of c.6% over the 31 March 2021 NAVPS of R7.90 (c3.0% over the 30 September 2021 NAVPS of R8.14).

The increase largely resulted from:

- Premier's continued strong operational performance driven by market share gains, volume growth, input costs pass-through and cost management/operational leverage, and enhanced performance post the completion of the Mr Sweet acquisition and debt refinancing;
- Virgin Active's robust growth in its membership base during the quarter ended 31 March 2022 and the completion of a restructuring plan and debt refinancing during the year that also resulted in new capital raised at Brait's valuation;
- New Look's results that delivered strong performance during the 2021 calendar year, apart from the underperformance in the final quarter due to the Omicron lockdowns, but the company has showed a decent recovery in the first quarter of calendar year 2022; and
- The sale (and completion subsequent to 31 March 2022) of Consol at a 16% premium to Brait's 30 September 2021 valuation.

The board of directors of Brait believes that the December 2021 capital raise and refinancing and the performance of its portfolio companies, provide runway to execute Brait's strategy of maximising value through the realisation of its portfolio companies in the medium term. In respect of its portfolio companies: Virgin Active has started to recover from the effects of the numerous Covid-induced lockdowns and is hopeful the momentum will continue; Premier's strong performance continues and, having completed its IPO readiness plans, will potentially proceed with a JSE listing, market conditions permitting; and New Look is benefitting from the operational and strategic changes that have been made over the past two years.

For further information on Brait's results, please refer to the Brait annual results for the year ended 31 March 2022 announcement that was published on the Stock Exchange News Service today and is available at <http://brait.investoreports.com/investor-relations/results-and-reports/>

Disclaimer

The financial information on which this announcement is based has not been audited, reviewed, and reported on by the Company's external auditors.

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Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)