ETHOS
CAPITAL

FINANCIAL RESULTS

for the year ended 30 June 2022

22

EPE CAPITAL PARTNERS LTD
("ETHOS CAPITAL" OR "THE COMPANY")

INCORPORATED IN THE REPUBLIC OF MAURITIUS

REGISTRATION NUMBER: C138883 C1/GBL

ISIN: MU0522S00005

SHARE CODE: EPE

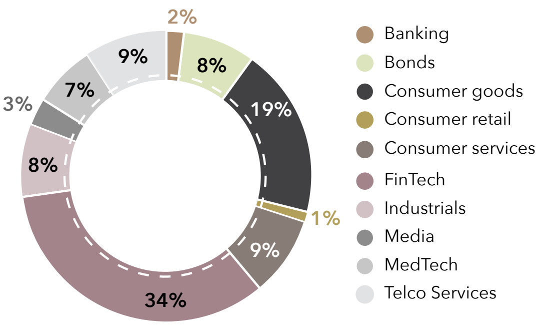
FINANCIAL AND OPERATIONAL HIGHLIGHTS

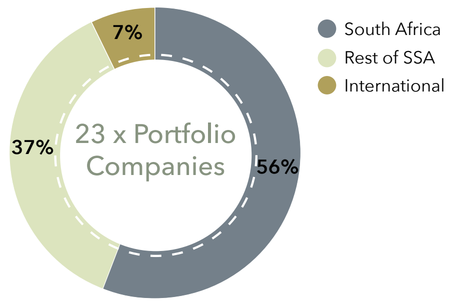
A year of further recovery and significant investment activity

R2.7 billion carrying value of invested capital and NAVPS of R10.66 (Brait at NAVPS) and R8.49 (Brait at share price)

R314 million net capital invested; new investment in Crossfin and participating in Brait exchangeable bonds

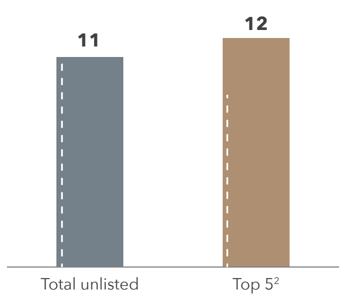
a well-diversified portfolio



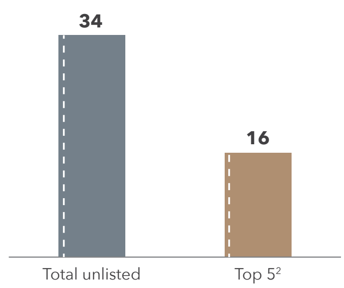


a strong bounce back in profitability of Portfolio Companies

LTM attributable revenue growth[1] of unlisted portfolio – %



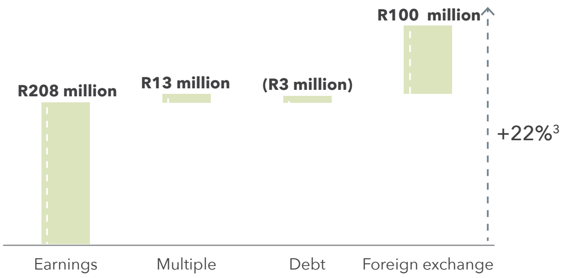
LTM attributable EBITDA growth[1] of unlisted portfolio – %



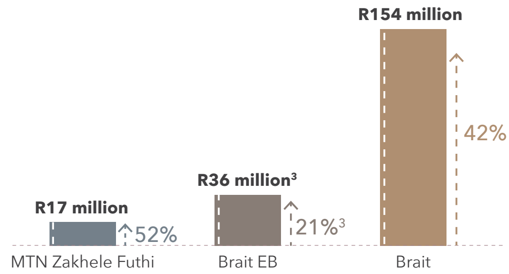
[1] *On an aggregate basis*
[2] *54% of total assets.*

has driven up unlisted and listed portfolio valuations

UNLISTED PORTFOLIO VALUATION MOVEMENTS

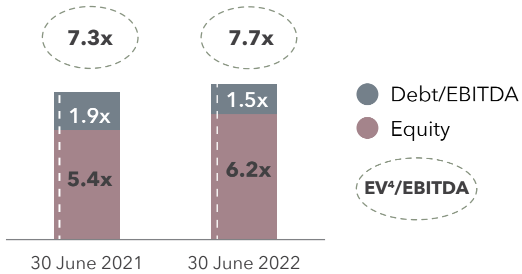


LISTED PORTFOLIO VALUATION MOVEMENTS

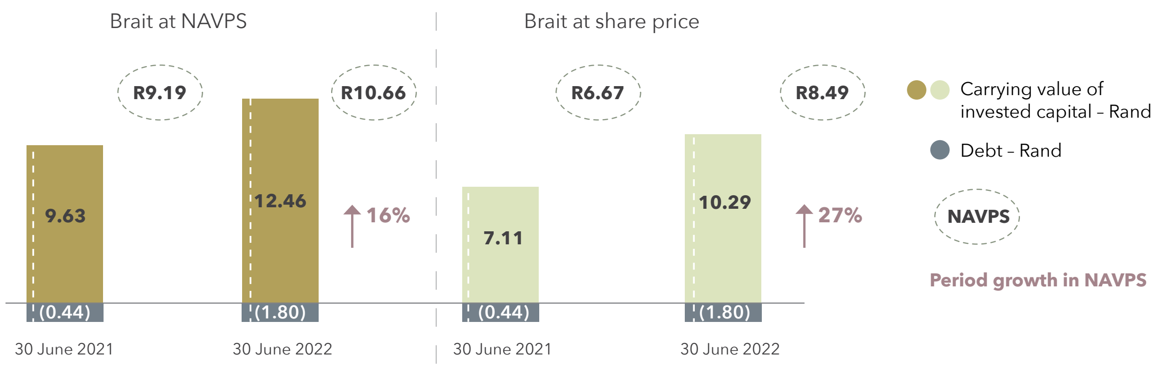


with a slight increase in valuation multiples due to the recent Crossfin acquisition

UNLISTED PORTFOLIO

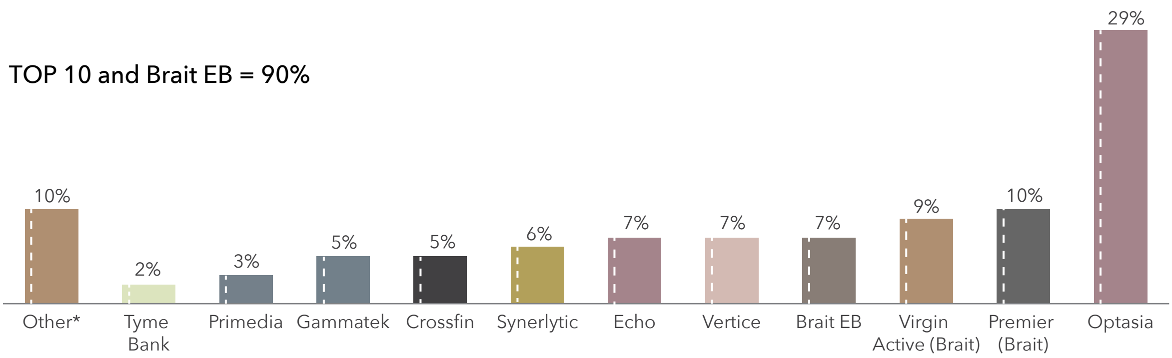


have driven significant uplifts in NAVPS



TOTAL ASSETS CONTRIBUTION – R2.7 BILLION

TOP 10 and Brait EB = 90%



[3] Based on realised and unrealised returns.
[4] Enterprise value.
[5] Including 13 Portfolio Companies and current assets.

RESULTS FOR THE YEAR ENDED 30 JUNE 2022, AVAILABILITY OF IAR, 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.

Due to the nature of the business conducted by the Group, the Group's performance is largely measured by the growth in the net asset value ("NAV") and NAV per share ("NAVPS") and the NAVPS has been adopted as the relevant measure for trading statement and short-form announcement purposes. This approach has been approved by the JSE.

A. RESULTS ANNOUNCEMENT

Overview

The 2022 financial year demonstrated a strong recovery from the effects of COVID despite new challenges and volatility, driven by the Ukraine invasion, global inflation, higher interest rates, and energy and supply chain constraints, and locally, the knock-on effect of the July 2021 unrests.

The South African economy and many of the SSA economies have proved relatively resilient although consumers remain under pressure due to the impact of high inflation on disposable income which has led to changing spending patterns and some down trading. There are early positive signs of government engagement and intervention in the South African market including more urgency to address the Eskom issues, regulatory certainty and simmering labour unrest.

The operational and strategic improvements implemented in the last two years across most of the Portfolio Companies resulted in broad-based growth in profitability with the majority of companies achieving profit levels in excess of their pre-COVID levels and those that have been more severely impacted, showing a sustainable recovery. Nearly 70% of the unlisted companies (by value) grew EBITDA by more than 25% during the year.

The investment portfolio achieved a gain of R552 million for the year. The unlisted portfolio return increased by R345 million (a 22% return over the year), driven by the growth in profitability and local currency depreciation. Pleasingly, the valuation increases were broadly across the entire portfolio with the largest increases being Optasia, Gammatek and TymeBank. The NAVPS (including Brait at is NAVPS) increased by 16% from R9.19 (at 30 June 2021) to R10.66.

The share prices of the listed investments (Brait and MTN Zakhele Futhi) increased significantly (42% and 52% respectively) during the year resulting in a R207 million value increase which contributed to the resultant 27% increase in Ethos Capital's NAVPS (including Brait at its share price) from R6.67 to R8.49.

During the year, EMMF I completed its ninth investment into Crossfin Technology Holdings (Pty) Ltd ("Crossfin"). Crossfin is a leading independent fintech platform that operates a highly differentiated business model based on investing and supporting an ecosystem of synergistic and complementary fintech businesses at different stages of maturity which has allowed the platform to consistency achieve robust top line and earnings growth.

In November 2021, Brait announced a rights offer to subscribe for up to R3.0 billion of exchangeable bonds. The exchangeable bonds, listed on the JSE have a 5% coupon and may be exchanged for Brait ordinary shares at any time from 31 January 2022 until December 2024 at an exchange price of R4.37. Through its participation in Ethos Funds, Ethos Capital invested R314 million during the year and these and other follow-on investments, coupled with the unrealised gains, increased Ethos Capital's total assets to R2.7 billion.

The Ethos Funds and Brait concluded a number of realisations during the year all at significant premiums to their prevailing NAVs prior to the disposal. Since Ethos Capital's listing in 2016, Ethos has exited eight assets at an average Times Money Back of 1.9x and a realised IRR of 20%.

Whilst global economic uncertainties remain elevated, opportunities exist for alpha generating investments and leveraging the increasing international interest in South African assets for fund divestments. Given the uncertain economic outlook, the Board believes that remaining focused on theme / tailwind led investing, leveraging the sector, active management and domain expertise of the Investment Advisor, coupled with other capital allocation strategies, including buybacks, should result in strong investment returns.

Presentation

Ethos Capital will host a webcast presentation at 12h00 am on Wednesday 28 September 2022 covering the results relating to the year ended 30 June 2022, and outlook. A copy of the presentation is available for download on the Company's website at https://ethoscapital.mu/investors/reports-results/

Participants should please register for the webcast in advance by navigating to this website: https://www.diamondpass.net/9666053

B. CHIEF EXECUTIVE OFFICER'S REVIEW

"Pleasingly, most of the Portfolio Companies have returned to profit levels in excess of their pre-COVID levels and those that have been more severely impacted, have also shown a sustainable recovery."

Peter Hayward-Butt
Chief Executive Officer

Review of the year

It is always tempting to start one's annual review by highlighting the obstacles and impediments to growing the underlying businesses. In a South African and SSA context, there are many; from political uncertainty and interference to regulatory ambiguity and general economic malaise. But these are part of doing business in the region and good operators need to adapt and find solutions. The region also offers a plethora of unrivalled opportunities from a large growing population, rapid urbanisation and strong economic growth prospects. Spotting opportunities and executing successfully on these will ultimately realise long-term sustainable investor returns. I genuinely believe that operating in the exciting emerging markets that we do, provides better long-term growth prospects and potential returns. Whilst the developed markets have significantly de-rated in the past six months on the back of inflation and growth concerns, most of the Ethos Capital Portfolio Companies have seen strong profit and value growth. With large challenges comes opportunity and we are focused on finding and exploiting these for the benefit of our shareholders.

The vast majority of the Ethos Capital Portfolio Companies have enjoyed strong growth in past year with aggregate attributable EBITDA growth of c.34% across the unlisted portfolio. Many of the difficult decisions taken during the "insurmountable" challenge that was COVID, have resulted in Portfolio Companies that have realigned their cost bases to fit their new reality and/or found new growth opportunities due to the market dislocation. Much credit for this has to be given to the management teams that run the underlying Portfolio Companies. These teams assessed the landscape and implemented significant operating and financial changes to ensure their businesses emerged more sustainable from the COVID crisis.

The South African economy and many of the SSA economies have proved much more robust than many market commentators gave them credit for. Consumers remain under pressure due to the impact of high inflation on disposable income but, whilst this has led to changing spending patterns and some down trading, in the main, consumer spend has proved relatively resilient. In addition, we have seen early positive signs of government engagement and intervention in the South African market including more urgency to address the Eskom issues, regulatory certainty and simmering labour unrest. Pleasingly, most of the Portfolio Companies have returned to profit levels in excess of their pre-COVID levels and those that have been more severely impacted, have also shown a sustainable recovery.

The long-term impact of sustained inflation and higher interest rates will impact Portfolio Companies from a profitability and/or valuation perspective. Developed market devaluations have already factored in some of this impact although emerging market valuations, which had not benefited to the same extent from generationally low interest rates, have been less impacted. Ethos' valuation policy takes a conservative view on unrealised valuations with Portfolio Company valuation multiples, more often than not, reflecting the acquisition multiple which removes some of the volatility in asset valuations due to market rating movements. The average EV/maintainable EBITDA multiple for the Ethos Capital portfolio increased slightly over the year to 7.7x predominantly as a result of the Crossfin acquisition.

Ethos Capital's unlisted portfolio achieved a 22% return over the 12 months due to higher valuations broadly across the portfolio, including Optasia, Gammatek and TymeBank. The listed assets (Brait and MTN Zakhele Futhi) showed strong growth driven by share price increases of 42% and 52% respectively, although both shares were down significantly in the last six months of the year. This resulted in Ethos Capital's NAVPS (including Brait at its share price) increasing by 27% from R6.67 to R8.49 over the year. The Ethos Capital NAVPS (including Brait at its NAVPS) increased by 16% from R9.19 to R10.66, with Brait's NAVPS increasing by 6% over the year.

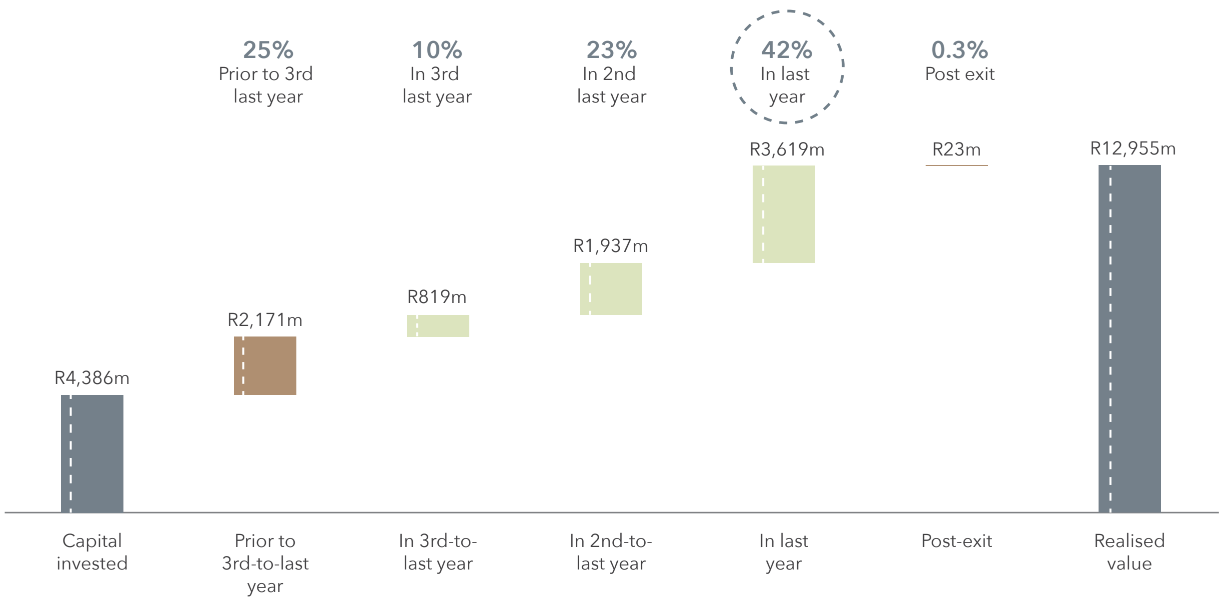
Ethos Capital concluded a number of investments during the year including its participation via the Ethos Funds in a new Fintech investment, Crossfin Technology Holdings (Pty) Ltd ("Crossfin"), and the Brait exchangeable bonds rights issue. These, together with other smaller investments, resulted in R314 million invested during the year increasing total assets to R2.7 billion.

Assessing the outlook for markets is as difficult as it has been for many years. The dispersion between the "bulls" and the "bears" is as wide as ever with little conviction from either side. The JSE has seen a wave of delistings in the past 12 months at valuations significantly below relevant international valuation benchmarks. Private markets valuing companies at a premium to public markets is not sustainable and I believe that South African public market investors continue to undervalue the growth and sustainability in many of the local companies. This is reinforced by the very significant upturn in foreign investor interest in South African assets in the past 12 months (the Consol sale to Ardagh being a case in point) and this bodes well for potential exits for the Ethos Funds.

Private equity by its nature requires patient capital. The best measure of the success of a manager is the realised returns that they deliver to investors (as opposed to the mark-to-market unrealised returns). Successful private equity investing involves capitalising on companies that benefit from sustainable tailwinds, driving urgent growth initiatives in these underlying companies, and then concluding well executed sales processes to maximise value.

Over its history, Ethos has realised 98 of its 111 Large Equity Fund ("LEF") investments generating a realised gross internal rate of return ("IRR") of 24%. Based on those exits, and as demonstrated below, c.75% of the value created was delivered in the last three years of the life of the asset and 42% in the last year alone. The average age of the Ethos Capital portfolio is 3.3 years which highlights the latent value in the portfolio.

Proportion of value created

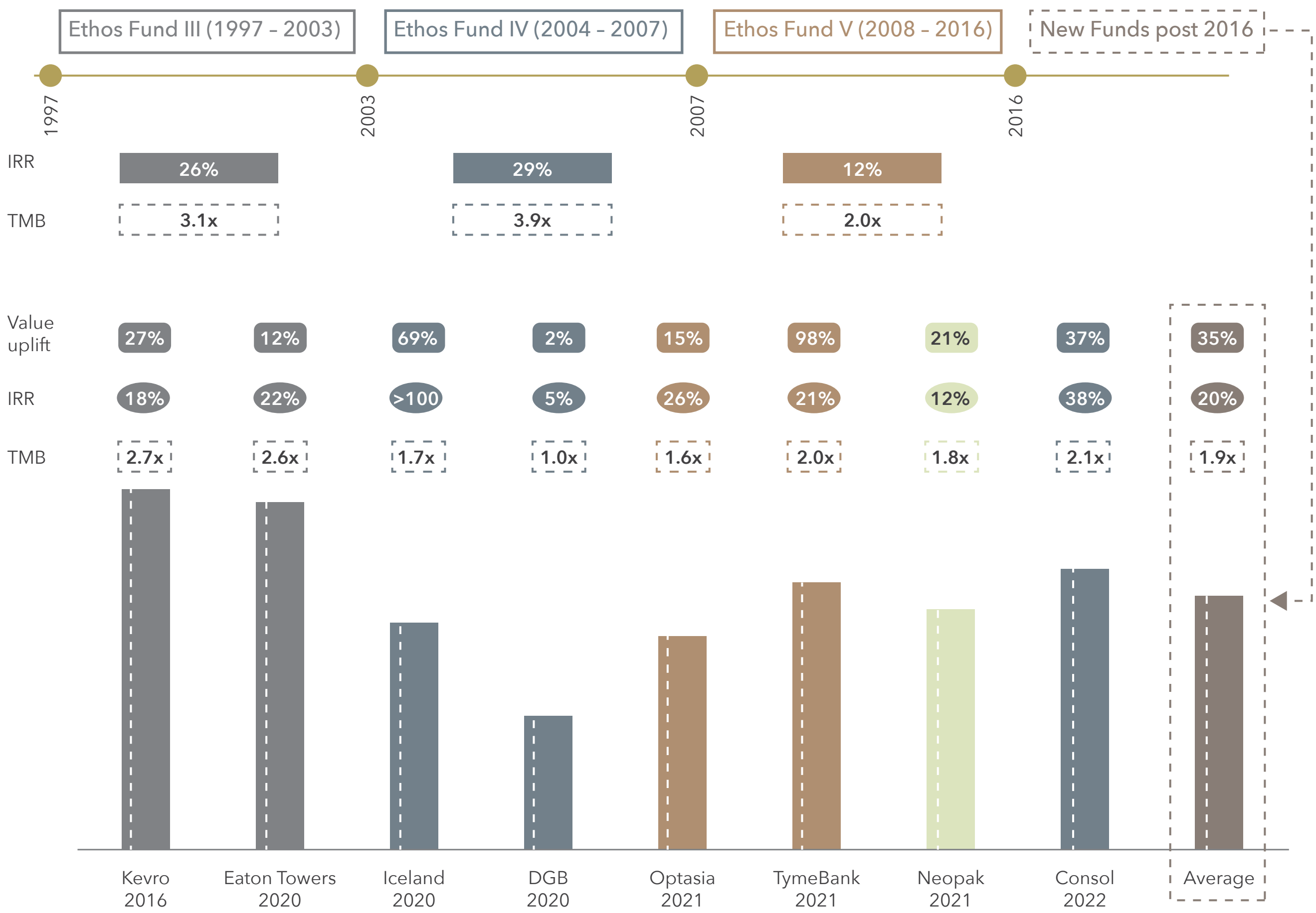


Since Ethos Capital's listing in 2016, Ethos has exited eight assets at an average Times Money Back ("TMB") of 1.9x and a realised IRR of 20%. The average growth in value of the assets realised in the last 12 months prior to the exit was 35% which is line with the long-term average for Ethos exits.

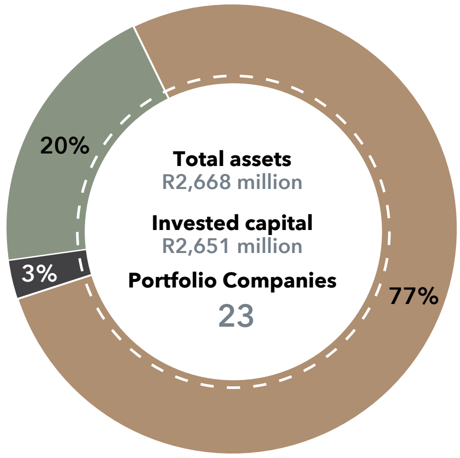
Ethos continues to focus its ESG efforts across its Portfolio Companies to achieve a more equitable and prosperous society that will better peoples' lives and provide a platform for long-term sustainable economic growth. For more information on the Ethos ESG initiatives, please refer to the Ethos website on https://ethos.co.za/our-ethos/

We live in a rapidly changing world which requires investors to demonstrate consistency and patience whilst also being able to be agile and adapt quickly. The benefit of active management in private markets has led to long-term outperformance by private equity as an asset class. Ethos remains committed to driving and realising value from the portfolio for the benefit of its investors.

Realised returns from exited Ethos Funds (in ZAR)



1. **Primary Investment** – *Invest in new Ethos Funds when they are established*
2. **Secondary Investment** – *Replace Fund investors in Ethos Funds late into or post the Investment Phase*
3. **Co-Investment** – *Invest into Portfolio Companies directly alongside the Ethos Funds*



Company strategy

Ethos Capital provides its shareholders with access, both indirectly (through Fund investments) and directly (through Co-Investments), to a diversified portfolio of unlisted companies that are actively managed by Ethos ("the Manager"). Ethos Capital aims to deliver consistent, market-beating returns through these actively managed private equity investments.

Ethos Capital invests using Primary, Secondary and Co- Investment strategies to access private equity-backed companies, as set out below.

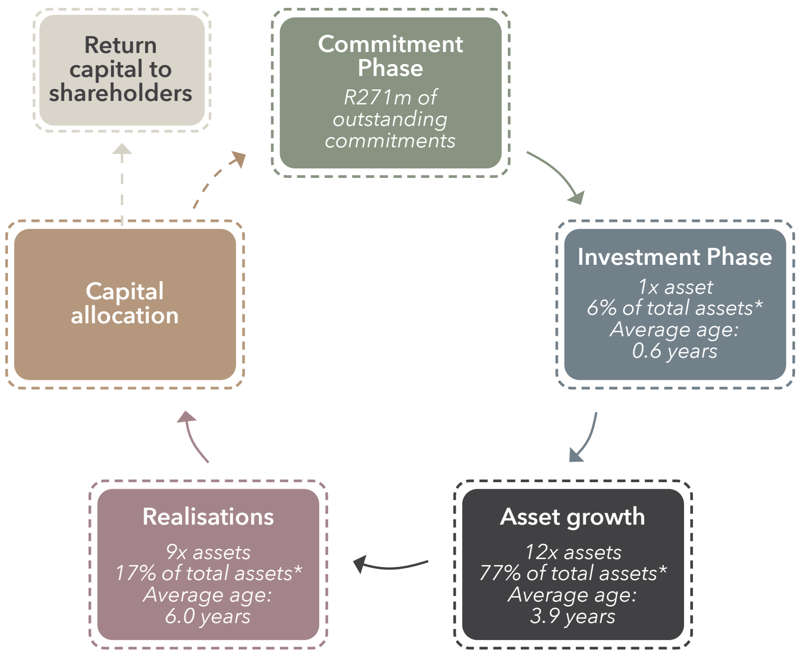
The Ethos Capital Board and Investment Committee are responsible for allocating capital across these three strategies based on, inter alia, the macroeconomic outlook, overall portfolio diversification, liquidity constraints, and prevailing market sentiment.

Once the Board has made its decision to invest in the above strategies, the Manager is responsible for driving returns from the underlying Portfolio Companies.

The Investment Phase is the initial period of ownership of an asset. These investments are often held at cost for the first year as the management teams of the underlying investment develop and initiate operational strategies for the Portfolio Company.

The Growth Phase is the period of ownership where the Investment Advisor's Value Add capacity and capabilities are institutionalised in the Portfolio Companies to drive growth. This phase is normally between three and five years.

The Mature Phase entails preparing the Portfolio Company for exit and executing the sales process. The proceeds are then realised and returned to the Fund's investors



* *Excluding Ster Kinekor and Brait EB.*

Ethos has a long, successful track record. As mentioned, since 1984, Ethos' LEF have invested in 111 Portfolio Companies, 98 of which have been sold generating a realised gross IRR of 24%.

The key factors that differentiate Ethos and have led to this sustained outperformance are:

- the largest and most experienced team of private equity professionals in SSA (30 investment professionals, including 19 investment partners);
- a world-class governance platform and investment process which leverages the experience of doing deals on the continent for 38 years; and
- sector expertise and domain knowledge (such as artificial intelligence ("Ai")) in addition to an extensive understanding of all aspects of the private equity life cycle.

A combination of the above and the industry expertise and oversight of the Ethos Capital Board provides a unique investment opportunity to enable shareholders to benefit from the sustained outperformance that private equity can deliver.

Performance overview

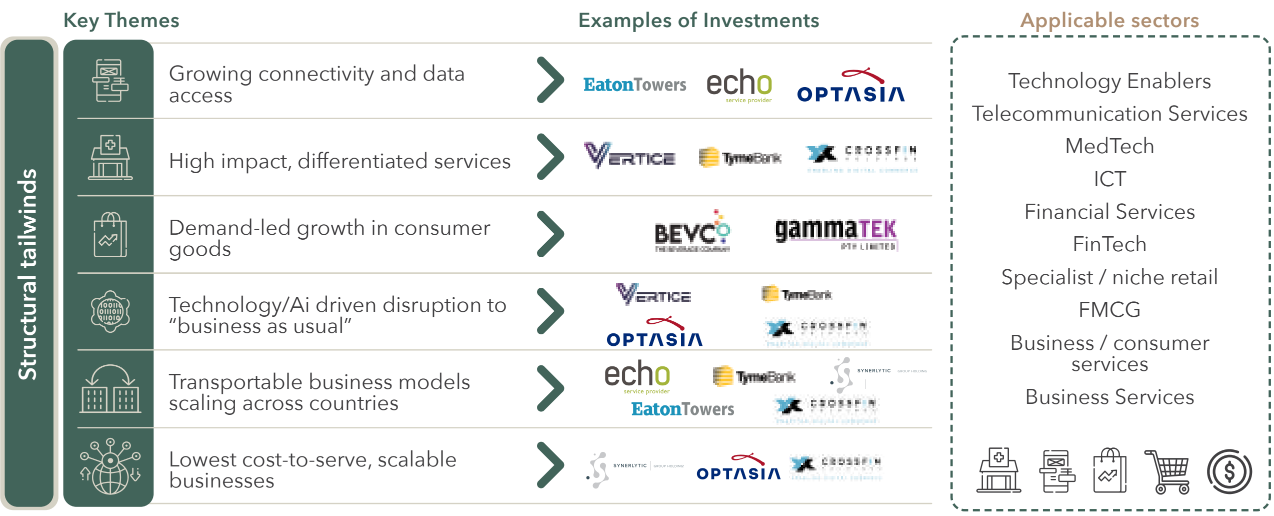
The South African economy has rebounded strongly from the depths of the COVID enforced lockdowns and also the social unrest in July 2021. Growth rates across key sectors have remained resilient as companies bounced back from the effects of COVID. While many structural and fiscal issues remain, consumer sentiment has started to improve and producer confidence is returning post the lockdowns. Managing the economy while alleviating key social imbalances will be key for the sustainability of South Africa's long-term prosperity.

By contrast, the solid gross domestic product ("GDP") growth rates of some of the other countries in SSA have provided a robust platform for growth in key sectors of these economies. While these growth rates provide a solid platform for investment in these SSA countries, political and currency stability remain key risk factors.

Ethos remains focused on investments in those regions, sectors and companies that have the propensity to benefit from key growth tailwinds.

Investments that have one or more of these attributes or themes (see diagram below) have a demonstrably better chance of creating a sustainable business niche and delivering market-leading returns. The decision has resulted in investments in companies that have been less severely impacted by the COVID pandemic. However, very few sectors have been completely immune from the global economic fallout.

Most of the Portfolio Companies posted strong recoveries from the effects of COVID with the largest five unlisted investments (equating to 54% of total assets) achieving growth in their aggregate attributable LTM revenue and EBITDA of 12% and 16% respectively in the past 12 months.



Investments

Ethos' investment offering provides Ethos Capital with access to the following underlying Fund markets: large equity; mid market; mezzanine; and Ai. The underlying Funds are further detailed below.

Ethos Fund VI

During 2016, Ethos Capital acquired a US$10 million secondary stake in Ethos Fund VI ("EF VI"), a 2011 vintage fund. EF VI has provided Ethos Capital with exposure to 12 investments, two of which have been realised and delivered in aggregate a ZAR multiple on invested capital ("MOIC") of 1.6x for Ethos Capital and a 2.6x MOIC for EF VI. In addition, Ethos Capital participated in two Co-Investment opportunities alongside EF VI in Primedia and Vertice.

At 30 June 2022, Ethos Capital had undrawn commitments of R13 million to EF VI.

Ethos Fund VII

Ethos Fund VII ("EF VII") is the successor LEF for EF VI.

The Fund has completed three investments, of which Ethos Capital invested c.R805 million:

- Optasia (previously Channel VAS), a provider of airtime credit services to prepaid mobile subscribers, with operations and contracts with mobile network operators across more than 30 countries in Africa, the Middle East, Asia and Latin America;
- Echo, a corporate internet service provider that provides information and communications technology services through an aggregation of third party networks; and
- Brait, a listed investment holding company with a portfolio consisting of Virgin Active, Premier, New Look and Consol Glass (realised in May 2022) and the most recently issued exchangeable bonds that EF VII participated in.

In addition, Ethos Capital has made Co-Investments alongside EF VII in Optasia and Brait through a separate Fund, Ethos Direct Investment Partnership ("EDI"). EF VII is now fully invested and is focused on realising value from its remaining five Portfolio Companies. Ethos Capital has no further outstanding commitment to EF VII with full discretion over any further participation in the Fund.

Ethos Mid Market Fund

Ethos Capital has committed R950 million to Ethos Mid Market Fund I ("EMMF I"). EMMF I has a relatively unique position as a majority black-owned and controlled entity which has provided the Fund with a significant number of investment opportunities. The Fund has total commitments of R2.5 billion and to date has completed nine acquisitions, following the most recent investment into Crossfin.

Ethos Capital has undrawn commitments of R212 million to EMMF I.

Ethos Mezzanine Fund

Ethos Mezzanine Partners Fund 3 ("EMP 3") is a Fund that provides mezzanine and quasi-equity growth or acquisition financing solutions to companies in Southern and East Africa.

Ethos Capital has a R13.8 million exposure to EMP3 through its participation in Chibuku and has no outstanding commitments to the Fund.

Ethos Ai Fund I

Ethos Ai Fund I ("EAiF I") was established as a Co-Investment vehicle to invest alongside other Ethos Funds in businesses that will benefit from the adoption and implementation of algorithmic decision making. The Fund had its first close in October 2018 and has invested alongside: EF VII in Optasia; the Ethos Healthcare Platform in Vertice; African Rainbow Capital Limited into TymeBank; and EMMF I into Crossfin.

Ethos Capital has committed R150 million as a first close investor, with the Fund having its final close in November 2020, closing with commitments of R745 million. It has outstanding commitments of R46 million to the Fund at 30 June 2022.

Ethos Healthcare Platform

The Ethos Healthcare Platform ("EHP") has continued to invest behind the buy-and-build strategy for Vertice, a medical technology ("MedTech") business that it acquired in May 2018 alongside EF VI and EAiF I. Since the initial acquisition, a total of eight complementary medical software businesses were acquired. Ethos Capital has invested R128 million into the platform to date.

Valuations

Ethos values its Portfolio Companies based on prevailing market valuations of selected peer group companies. The market valuations have in general significantly rerated off their COVID lows and in many sectors, fully recovered. The strong performance of the Portfolio Companies has seen a bounce back in profitability in many cases to pre-COVID levels. However, Ethos has remained conservative in its approach to increasing multiples and the average discount to the peer group is 39% across the portfolio.

As at 30 June 2022, the implied EV/maintainable EBITDA multiple of the unlisted portfolio that is valued on an earnings/revenue-based methodology, increased slightly to 7.7x and the implied price earnings ratio ("PER") is 12.5x.

Based on the Ethos Capital share price as at 30 June 2022, the equivalent "market-implied" EV/maintainable EBITDA and PER are 5.4x and 8.7x respectively.

Share price performance

The Board is conscious of the prevailing share price discount to NAVPS and is assessing opportunities to address the discount and maximise value for shareholders. The Board will continue to focus on unlocking shareholder value through underlying portfolio performance and where possible share buybacks, subject to available liquidity.

By nature, private equity is a long-term investment, requiring long-term thinking and a patient strategy. Ethos Capital remains confident of its ability to generate sustainable, market-leading returns for its investors

Liquidity

Ethos Capital, like its local and global listed private equity peers, follows an "over-commitment" strategy. It makes commitments to Funds, secondaries and Co-Investment transactions that exceed the current cash and debt facilities available to the Company. The Board closely monitors the liquidity profile and the non-discretionary Fund commitments of the Company. A liquidity model is maintained alongside Ethos to best forecast the timing and quantum of anticipated realisations and drawdowns against the commitments.

Ethos Capital concluded a R700 million debt facility with Rand Merchant Bank ("RMB") in February 2020. The Board believes that it is prudent to utilise limited leverage to supplement its equity invested into various Funds and Co-Investments. The Board considers both the asset cover (total assets/net debt) and the "look-through" net debt:EBITDA ratio of the portfolio in determining the optimal level of debt to utilise for investment purposes. The current maintainable net debt:maintainable EBITDA of the Portfolio Companies is 1.5x.

At 30 June 2022, Ethos Capital had invested 99% of its total assets across a portfolio of 23 companies with a combined EBITDA of the unlisted portfolio of c. R3.4 billion. The Company has drawn R292 million of the debt facility.

Outlook

Given the uncertain economic outlook, the Board believes that remaining focused on theme/tailwind-led investing, leveraging the sector, active management and domain expertise of the Investment Advisor, while exercising price discipline, should result in strong investment returns in excess of the Company's cost of capital.

The Board believes that given the liquidity outlook and the prevailing share price discount to the NAVPS, the current strategy is not to make any new Fund commitments (for new investments) until the underlying Funds' realisation strategies and distributions to shareholders have been demonstrated.

Peter Hayward-Butt
Chief Executive Officer

C. REVIEW OF THE INVESTMENT PORTFOLIO AND RETURNS

Performance

NAV and NAVPS

As an investment company, the performance of the NAV and NAVPS is considered the most appropriate measurement of the Group's financial performance. The NAVPS is derived from the underlying NAV of the Group, consisting of the aggregate of invested capital and net cash/assets or liabilities, and the number of its shares outstanding (net of treasury and encumbered shares).

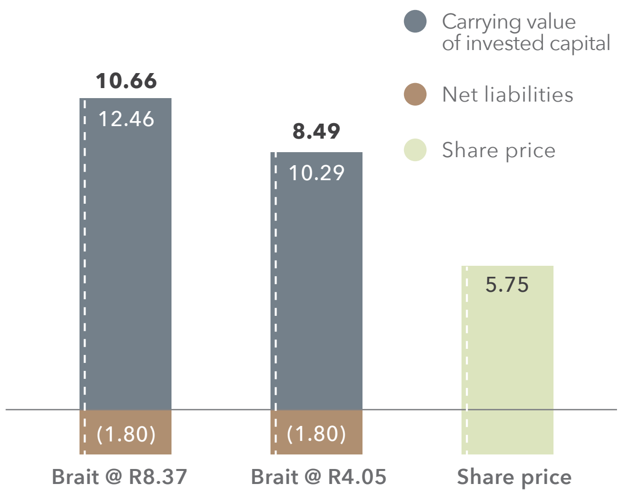
The Ethos Capital Group's NAVPS, based on Brait's last reported NAVPS (as at 31 March 2022), increased by 16% over the year from R9.19 (at 30 June 2021) to R10.66 at 30 June 2022. This was driven by a 22% return achieved on the unlisted portfolio with a strong performance from Optasia (previously Channel VAS) and other positive contributions most notably from Gammatek and TymeBank, with Kevro returning a negative contribution over the year.

Brait's NAVPS increased from R7.90 to R8.37 (31 March 2021 to 31 March 2022) whilst the investment in MTN Zakhele Futhi increased by 52% during the year.

The corresponding 30 June 2022 Group NAVPS, based on the 30 June 2022 Brait share price, increased by 27% over the year to R8.49 (30 June 2021: R6.67). The Brait share price increased from R2.86 (30 June 2021) to R4.05 over the year, a 42% increase and implies a discount to its NAVPS of c.52%.

Ethos Capital's share price at 30 June 2022 was R5.75.

GROUP NAVPS AND SHARE PRICE AT 30 JUNE 2022 – RAND



An analysis of the movements in the Group's NAV and NAVPS is detailed below:

	NAV R'000	NAVPS Cents
At 30 June 2021	1,716,390	6.67
Net return on Temporary Investments	627	–
Net return on investment portfolio	539,427	2.09
Operating expenses	(8,859)	(0.04)
Finance costs	(29,089)	(0.11)
Fees paid to Ethos	(28,529)	(0.11)
Taxation	(3,039)	(0.01)
At 30 June 2022 (with Brait at share price)	2,186,928	8.49
Incremental Brait increase to NAVPS	557,791	2.17
At 30 June 2022 (with Brait at NAVPS)	2,744,719	10.66

The investment portfolio achieved a net gain of R539.4 million during the year resulting from: unrealised and realised gains on the unlisted portfolio of R345.3 million less withholding tax on income distributions received of R3.3 million; unrealised and realised gains on the listed portfolio of R206.6 million, largely driven by movements in the Brait share price; and some Fund related expenses, including finance charges on the EF VII facility. These movements are detailed further in the report.

Operating expenses totalled R8.9 million, less than 0.5% of the Group's average NAV over the year. These expenses relate to Directors' remuneration (R4.4 million), auditors' remuneration, legal and professional fees, listing-related fees and other general costs.

The fees payable to Ethos acting as the Company's Investment Advisor and Investment Manager of the Funds and Co-Investments, totalled R28.5 million, equating to less than 1.5% of the Group's average NAV over the year.

Finance costs relate to accrued interest on the Group's loan facility and interest paid on the Company's revolving credit facility that has been drawn since December 2021.

Taxation of R3.0 million related to the Mauritian income tax expense for the year, including a prior year underprovision.

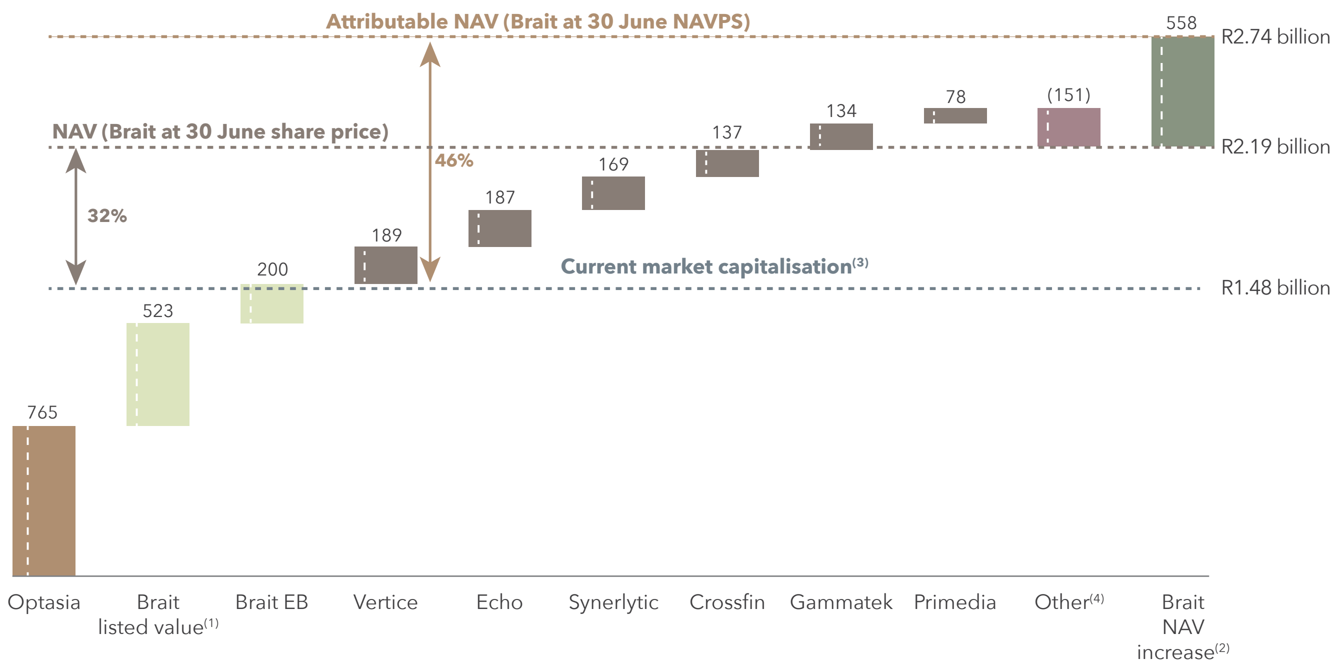
Further details on expenses are provided in notes 13 and 16 of the Notes to the Annual Financial Statements.

Share price analysis

The Ethos Capital share price ended the year at R5.75, a c.44% increase over the 30 June 2021 share price of R4.00. The share price represented a 32% discount to the Group's 30 June 2022 NAVPS, and 46% compared to the Group's NAVPS that reflects the Brait investment at its last reported NAVPS.

The Group's market capitalisation as at 30 June 2022 of R1.48 billion is just less than the NAV of the top three investments – Optasia, Brait (at its share price) and the Brait exchangeable bond.

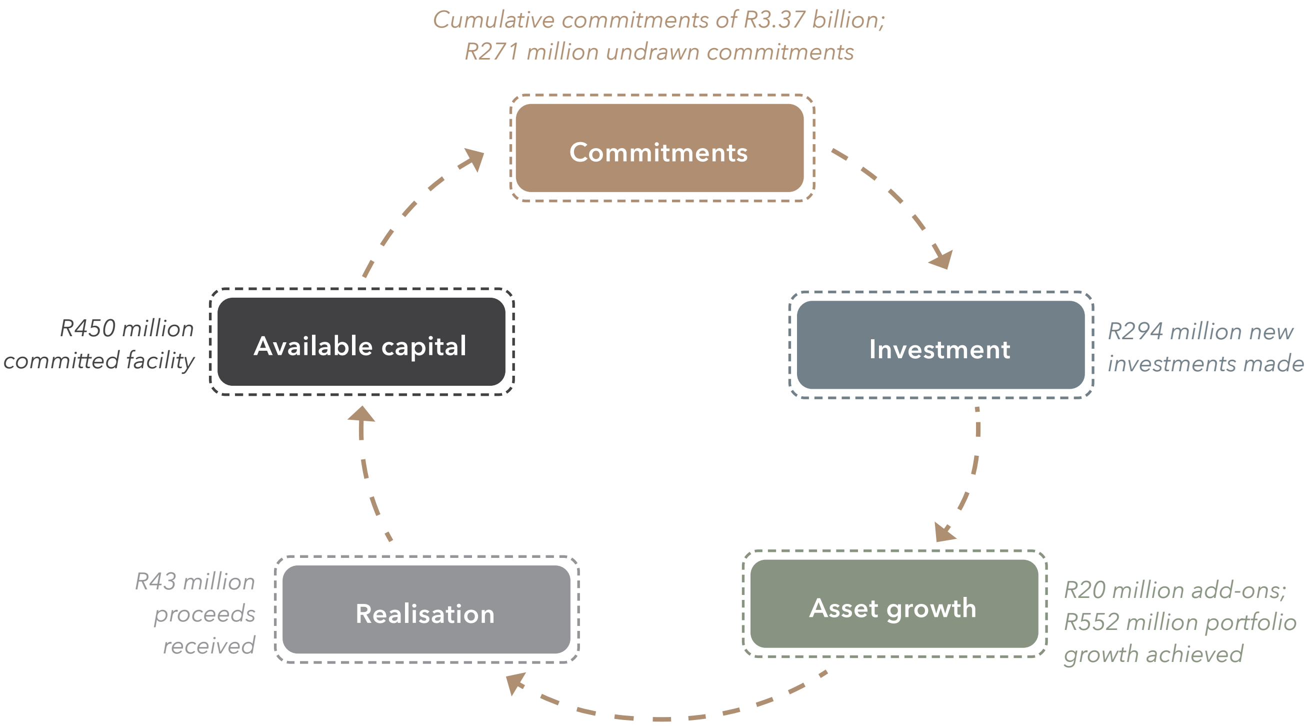
ATTRIBUTABLE NAV AND MARKET CAPITALISATION – R'million



(1) *Brait listed share price as at 30 June 2022 of R4.05.*
(2) *Brait NAVPS as at 31 March 2022 of R8.37.*
(3) *Ethos Capital share price as at 30 June 2022 of R5.75.*
(4) *Including 12 other investments and liabilities.*

Private equity activity cycle

The Group follows the life cycle of a private equity Fund. The Board is responsible for making commitments either to existing or new Ethos Funds or to Co-Investments (Direct Investments) alongside the Funds. Once these commitments are made, Ethos (the Investment Manager) takes responsibility for deploying the committed capital into various Portfolio Companies, driving growth and transformation in these underlying assets and finally exiting the businesses. The capital is then returned to Ethos Capital, either to be distributed to shareholders or to be recycled and invested in new Ethos Funds.



Commitments to Ethos

Ethos Capital increased its commitments to Ethos Funds by R171.0 million during the year, to facilitate a further Co-Investment into Brait. The total commitments to Ethos Funds increased to R3.4 billion at 30 June 2022, of which less than R0.3 billion were undrawn as detailed below.

Name	Vintage	Share of Ethos investors %	Commitment R'000	Undrawn R'000
EMMF I	2016	38 – 40	950,000	212,215
EAi FI	2018	20	150,000	45,632
EF VI[(1)]	2011	1 – 2	163,703	13,017
				270,864

(1) *US$10 million commitment.*

Investments

Investment portfolio

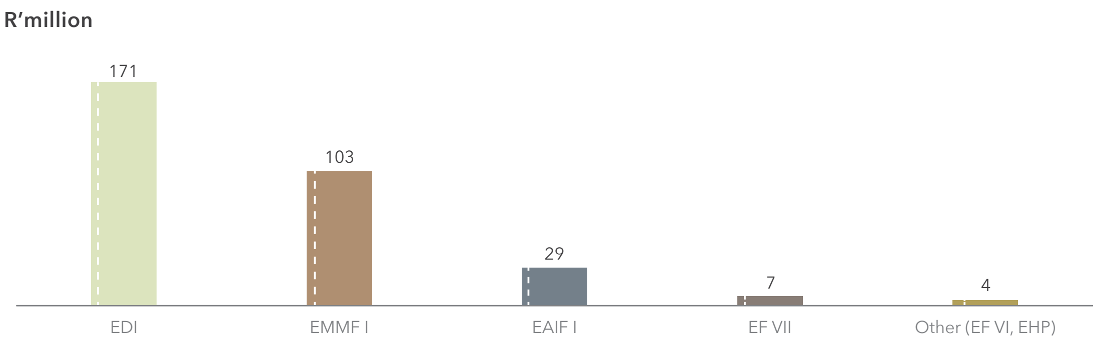
At 30 June 2022, the investment portfolio of the Company consisted of the following investments, which amounted to 99.4% of the total assets:

Investment name	Participation in Ethos Funds/ Co-Investments %	Valuation R'000	Share of total assets %
Primary/Secondary Investments			
EF VII	61	970,104	36.4
EMMF I	39	606,912	22.7
EAiF I	20	177,898	6.7
EHP	13	144,446	5.4
EF VI	<2	65,846	2.5
EMP 3	n/a	13,791	0.5
Co-Investments			
Brait[1]	6	304,115	11.4
Brait EB[1]	6	187,708	7.0
Optasia[1]	1	87,263	3.3
Primedia[2]	4	73,039	2.8
Kevro[3]	9	19,442	0.7
Ster Kinekor[4]	4	-	-
Total invested capital		**2,650,564**	**99.4**

(1) Investment in EDI, which co-invested in Brait SE and Optasia.
(2) Investment in Primedia Holdings (Pty) Ltd.
(3) Investment in Kevro Holdings (Pty) Ltd, held through EMM Direct.
(4) Investment in Ster Kinekor Theatres (Pty) Ltd.

Ethos Capital invested R314.3 million during the year into Ethos Funds – more details on the underlying investments are provided on the following page. The R122.6 million EF VII investment in the Brait exchangeable bonds was funded directly by the Fund via a revolving credit facility resulting in no direct funding being required by the Company.

Details of the capital drawdowns by Fund are provided below:



Underlying Portfolio Companies

The Ethos Funds invest in a pool of unlisted Portfolio Companies which provides the Company with a diversified portfolio of underlying investments. Ethos Capital participated in two new investments during the year, and some further investments into existing Portfolio Companies as detailed below.

In November 2021, EMMF I completed its ninth investment into Crossfin Technology Holdings (Pty) Ltd ("Crossfin"). Crossfin is a leading independent fintech platform that operates a highly differentiated business model based on investing and supporting an ecosystem of synergetic and complementary fintech businesses at different stages of maturity which has allowed the platform to consistency achieve robust top line and earnings growth. EMMF I led the transaction and the investment consortium including, co-investors of EMMF I, EAiF I, and African Rainbow Capital Limited. The transaction was valued at R1.5 billion and includes a combination of the acquisition cost and growth capital for the business to position it for the next phase of its growth. Ethos Capital invested R123.7 million via its existing commitments in EMMF I and EAiF I.

In November 2021, Brait announced a rights offer to subscribe for up to R3.0 billion of exchangeable bonds. The exchangeable bonds, listed on the JSE have a 5% coupon and may be exchanged for Brait ordinary shares at any time from 31 January 2022 until December 2024 at an exchange price of R4.37. Ethos Capital participated in the rights offer and invested R170.7 million and R122.6 respectively through an additional commitment into EDI and the existing commitment in EF VII, the latter funded by EF VII itself through a revolving credit facility as noted earlier in the report.

The Ethos Funds made a further investment into Echo during September 2021 to fund the remainder of the expansionary capital expenditure and working capital as committed at the time of the international acquisition in October 2019. Ethos Capital invested R12.7 million via its investments in EMMF I and EF VII.

Also in September 2021, the Ethos Funds acquired a minority stake in Vertice from one of the founders. Through its investment in EF VI, EAiF I and EHP, Ethos Capital invested R3.4 million in the acquisition. In June 2022, Vertice completed its eighth acquisition, Endo Vision Medical Supplies, a provider of equipment and products to the urology and gynaecology sector, with Ethos Capital investing a further R3.9 million.

At 30 June 2022, the underlying investments consisted of the following 23 Portfolio Companies and the Brait exchangeable bonds investment:

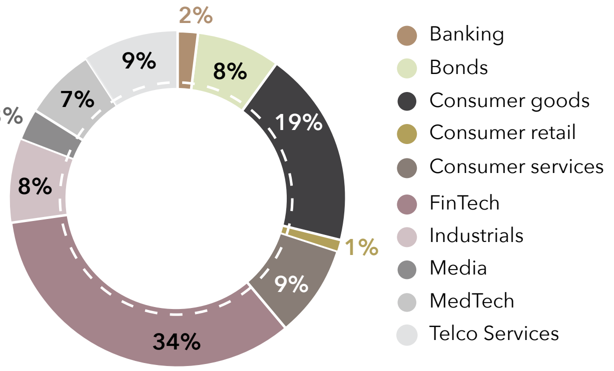
Name	Business description	Year*	% of total assets	Cumulative % of total assets
Optasia	FinTech service provider	2018	28.7	28.7
Premier (Brait)	FMCG manufacturer	2020	9.7	38.4
Virgin Active (Brait)	Health club operator	2020	8.7	47.1
Brait EB	Exchangeable bonds	2021	7.5	54.6
Vertice	MedTech	2018	7.1	61.7
Echo	Corporate ISP	2018	7.0	68.7
Synerlytic	Specialised analytical and testing services	2019	6.3	75.0
CrossFin	FinTech group	2021	5.2	80.2
Gammatek	TMT accessory distribution	2018	5.0	85.2
Primedia	Media	2017	2.9	88.1
TymeBank	Banking	2019	2.3	90.4
MTN Zakhele Futhi	Telecommunications	2017	1.9	92.3
Kevro	Corporate clothing and gifting	2017	1.4	93.7
Autozone	Automotive parts retailer & wholesaler	2014	1.1	94.8
Eazi Access	Industrial support services	2016	1.1	95.9
The Beverage Company	Carbonated drinks manufacturer	2017	0.7	96.6
New Look (Brait)	Multi-channel fast-fashion brand	2020	0.7	97.3
Chibuku	Brewing and distribution	2018	0.5	97.8
Consol Glass (Brait)**	Multi-channel fast-fashion brand	2020	0.5	98.3
RTT	Logistics	2014	0.3	98.6
Neopak	Paper and packaging	2015	0.3	98.9
Waco International	Industrial support services	2012	0.3	99.2
Twinsaver	Manufacturing (FMCG)	2015	0.2	99.4
Ster Kinekor	Media (entertainment)	2017	–	99.4
			99.4	

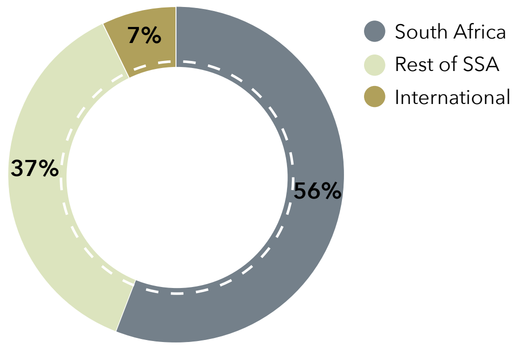
* *Initial acquisition date by Ethos Fund.*
** *Based on the 31 March 2022 Brait results, and subsequently realised in May 2022*

Asset growth

Portfolio Company performance

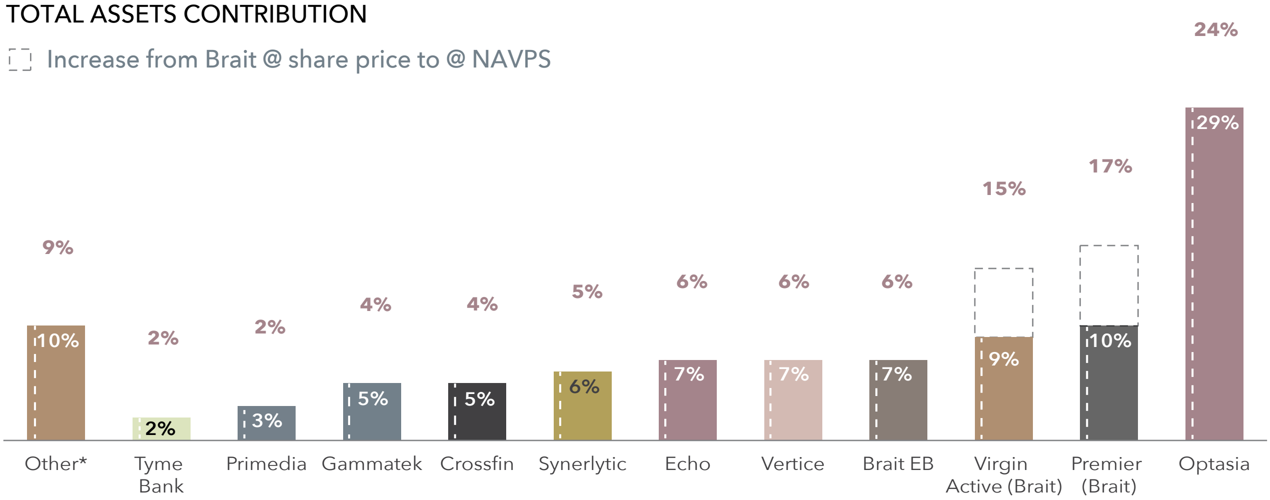
Ethos Capital's investment portfolio at 30 June 2022 has exposure to 23 Portfolio Companies that in aggregate (excluding Brait and the MTN Group) have sales of just under R25.2 billion and EBITDA of R3.4 billion. The Portfolio Companies span a number of sectors and geographies, providing diversified portfolio exposure.





At 30 June 2022, the contribution of each underlying Portfolio Company to the total assets of R2.7 billion, of which the top 10 Portfolio Companies and exchangeable bond investment make up 90% of the total assets, was as per the below. Despite a previous partial realisation of the Optasia investment, it remains a materially outsized asset in the portfolio at 29% of the total asset value Brait at its share price. This is partly as a result of the Company's strong performance and resultant valuation growth, as evidenced by its 11% share of the total assets based on investment cost. The aggregate Brait portfolio increased to 27% of total assets over the year, following the investment in the exchangeable bonds.

TOTAL ASSETS CONTRIBUTION



% of total assets with Brait @ NAVPS (Top 10 and Brait EB = 91%)

% of total assets with Brait @ share price (Top 10 and Brait EB = 90%)

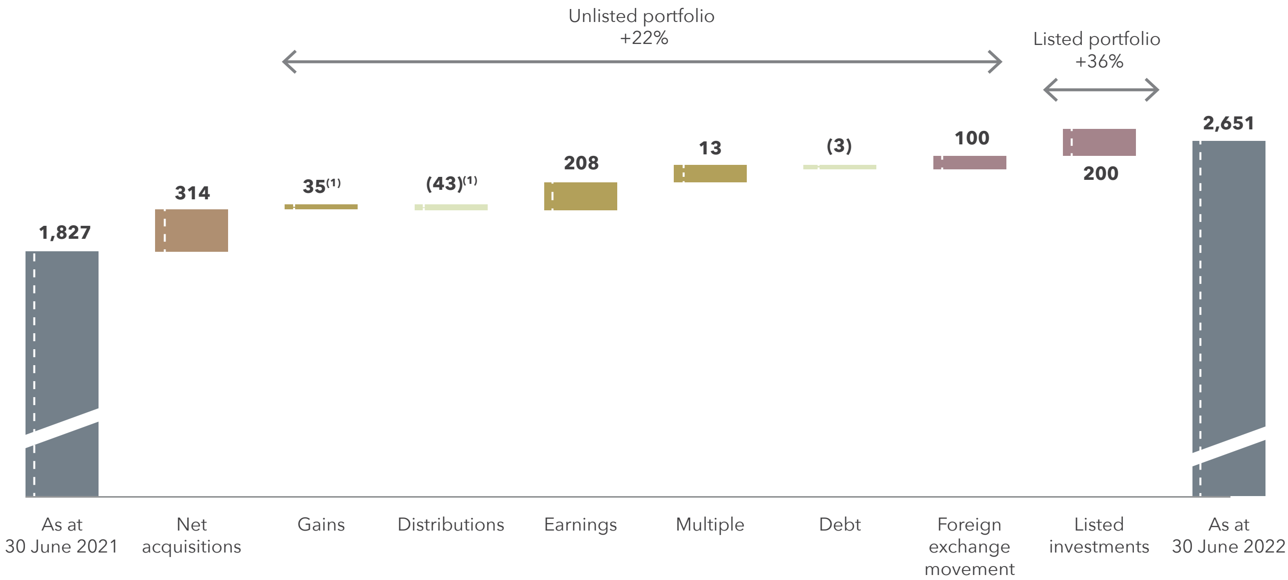
* *Including 13 Portfolio Companies and current assets.*

The gross (pre-expenses) return of the unlisted investment portfolio over the year was R345.3 million, delivering a 22% return. The return was mainly driven by strong growth achieved in Optasia and Gammatek, the revaluation of TymeBank, and supported by unrealised revaluation gains from most of the unlisted portfolio. On a share price basis, the listed portfolio achieved a 36% return, equating to R206.6 million that was driven by the 42% increase in the Brait share price, coupon receipts and unrealised revaluation gains on the Brait exchangeable bond, and a 52% increase in the share price of MTN Zakhele Futhi.

The underlying drivers of the positive return from the unlisted portfolio (taking into account where relevant investment transactions and foreign exchange movements during the year) are as follows:

- dividends received and realised gains, largely from Optasia, of R34.6 million;
- an increase in attributable maintainable EBITDA resulting in a value increase of R208.0 million;
- an increase driven by the implied valuation multiple of 7.7x of R12.6 million;
- an increase in sustainable net debt accounting for a R3.2 million devaluation; and
- an 15% strengthening of the US$ against the ZAR contributed a revaluation gain of R99.9 million.

MOVEMENT IN THE VALUATION DRIVERS OVER THE YEAR – R'million



(1) *Including R6.6 million of gains from the listed portfolio.*

Optasia's strong performance continued, driven by a combination of increased advances on airtime credit services ("ACS"), traction in mobile financial services ("MFS"), and good default management and cost control. The business achieved significant growth in ACS advances in both existing and new geographies, with solid contribution from key existing contracts offsetting a delay in some new deployments as a result of resource constraints at the mobile network operators ("MNOs"). Despite some delays in new deployments due to technical issues at the MNOs, MFS has maintained good momentum in existing deployments and market share gains. The market opportunity for MFS remains substantial and growth in its MFS has increased the company's product diversification and significantly added to its growth prospects.

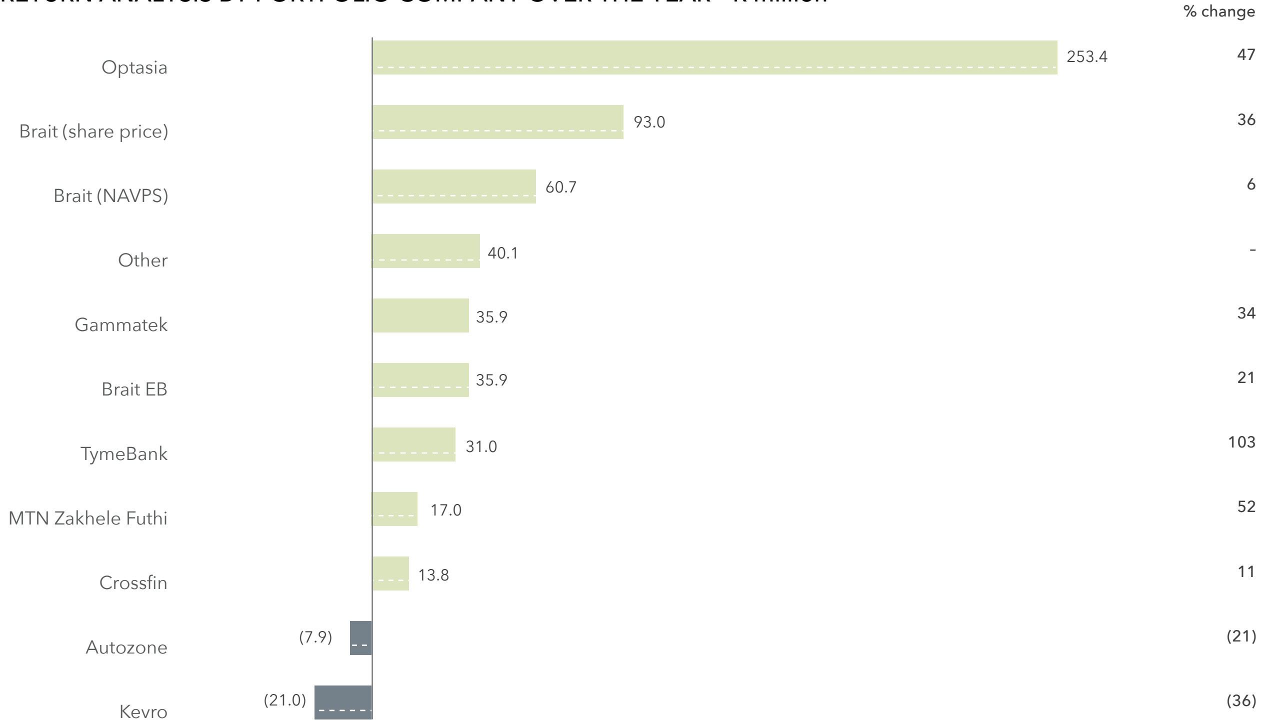
Gammatek continues to trade well, despite a challenging environment with supply chain bottlenecks, reflecting good execution on its refreshed growth strategy. The business has successfully capitalised on the structural tailwinds of increased demand for digital connectivity while manufacturers have reduced the number of "inbox" accessories supplied with each new device. Increasing market share gains through new channels and expanding the brand and product portfolio have also driven its strong growth.

TymeBank continued its strong growth in active customers which grew to over 1.5 million. In addition, TymeGlobal made significant progress in the establishment of digital banking operations in South East Asia. TymeBank's valuation more than doubled over the year based on the valuation of the last capital raise that was concluded in January 2022, in which Tencent and CDC participated.

In recent years, Kevro's performance has been significantly impacted by a combination of distribution centre transition issues, system implementation disruptions and COVID-induced lockdowns. The new management team has resolved the internal operating issues and the new warehouse, ERP and warehouse management systems provide the business with a competitive platform from which to grow. Performance over the past six months has demonstrated a sustainable recovery which is pleasing.

The attribution of the gross portfolio return by Portfolio Company is detailed below:

RETURN ANALYSIS BY PORTFOLIO COMPANY OVER THE YEAR – R'million



The Brait NAVPS increased by 6% during the year, largely driven by strong performance from Premier offset by relatively modest growth at Virgin Active. The Brait share price increased by 42% year-on-year.

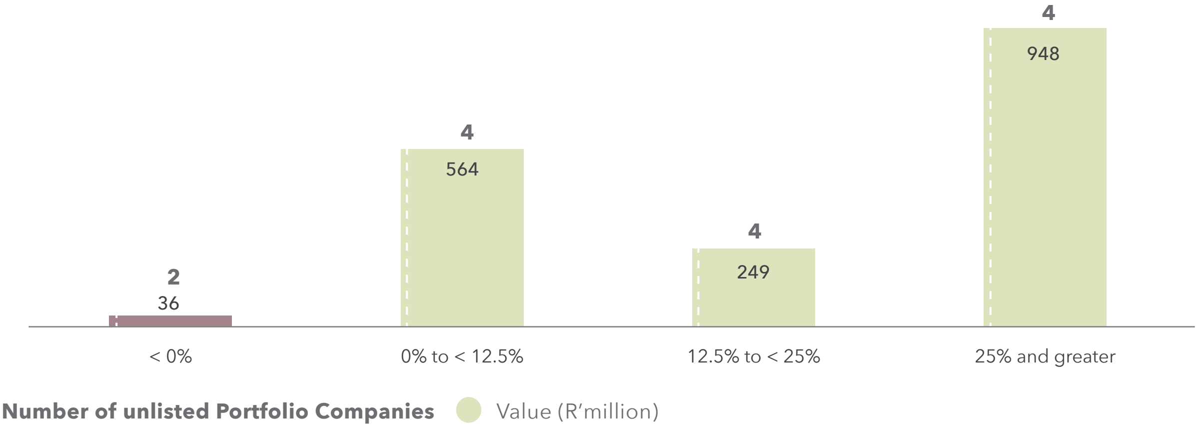
Premier delivered a strong performance with EBITDA growth of 36% year-on-year, despite the headwinds faced from higher commodity prices. The Millbake business (82% of revenue) continued its strong momentum, and Premier completed the integration of the Mister Sweet confectionery business and has realised the merger synergies identified at the time of the acquisition. Virgin Active has been significantly impacted by the COVID lockdown restrictions, but all territories have now been operational since October 2021. The company completed its restructuring plan and debt refinancing during the year, raised c.£80 million of new capital and also appointed new management. The amalgamation of the Kauai and Nü chains accelerate the business' transition into the broader wellness space. Membership levels and operational performance have continued to show sustainable improvement back to pre-COVID levels.

Further details on the above Portfolio Companies are provided in the Overview of the Portfolio Companies section on page 32.

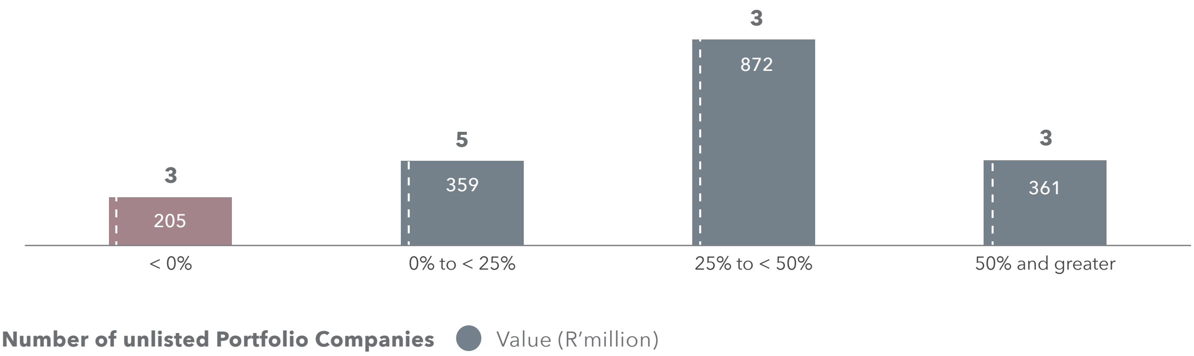
Over the last 12 months ("LTM"), the attributable sales and EBITDA of the Portfolio Companies that are valued on an earnings/revenue-based valuation, increased on an aggregate basis by 11.0% and 34.1% respectively. The top five unlisted investments, consisting of Optasia, Vertice, Echo, Synerlytic and Crossfin (54% of total assets) grew their attributable sales and EBITDA (on an aggregate basis) by 11.9% and 16.1% respectively, despite the tough economic conditions.

The analysis below, showing the revenue and EBITDA growth rates across the unlisted Portfolio Companies, demonstrates the benefit of portfolio diversification. The vast majority (89% of the unlisted Portfolio Companies by value) grew both revenue and EBITDA during the year with a number of companies recovering well and growing EBITDA by >50%.

REVENUE GROWTH % RANGE



EBITDA GROWTH % RANGE



Portfolio Company valuations

The NAV of each Fund is derived from the valuations of the underlying Portfolio Companies which are prepared in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEV Guidelines"). Valuations are performed quarterly, audited semi-annually and approved by each Fund's Advisory Board. The IPEV Guidelines set out best practice where private equity investments are reported on at fair value, with the majority of the private equity investments being valued on an earnings multiple method.

In terms of this method, an appropriate valuation multiple is applied to an investment's maintainable earnings to determine the enterprise value ("EV") of the investment. The valuation multiple for each investment is derived from the average of public market companies' multiples, with the Investment Manager then adjusting each investment's multiple based on its risk profile and performance factors (i.e. applying a premium or discount). The EV is then adjusted for surplus assets or net debt to derive the equity value of the investment, which is apportioned to the underlying holders of the financial instruments (e.g. shareholder loans and ordinary shares) – all of these are referred to as unobservable inputs as referred to in note 24 of the Notes to the Annual Financial Statements.

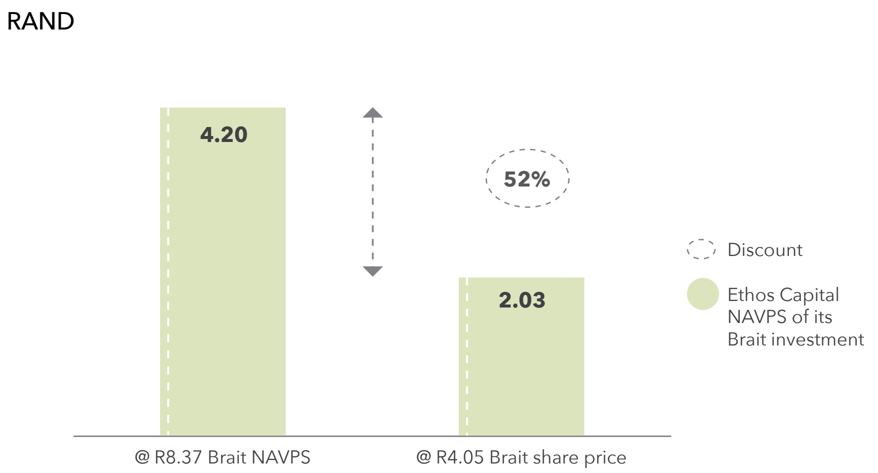
For the majority of the underlying Portfolio Companies the key valuation inputs are the earnings (e.g. EBITDA) or revenue of a Portfolio Company and the relevant multiple that is then applied to these earnings/revenue to determine the EV. Net debt/ cash is then subtracted/added to the EV to determine the equity value. The table on the following page illustrates in aggregate how the equity value of the Company's investments is determined.

The valuation of some of the other Portfolio Companies is not derived from an earnings/revenue-based valuation basis: Chibuku Products consists of mezzanine financing provided and is based on the fair value of the instrument less any impairment; TymeBank, an investment in an early stage growth company, is valued at the price of the most recent funding rounds; Twinsaver is valued on the sum-of-the-parts of the NAV of its individual business units; and the valuation of the investments in Brait (ordinary shares and exchangeable bonds) and MTN Zakhele Futhi is based on their respective share prices at 30 June 2022.

Listed portfolio

The investment in Brait is based on the prevailing share price at 30 June 2022 of R4.05 (30 June 2021: R2.86). The last reported Brait NAVPS, which is based on the above earnings-based valuation methodology, was R8.37 (as at 31 March 2022), resulting in a Brait share price discount to NAVPS of 52%.

The graph below sets out for Ethos Capital, its attributable NAVPS of the Brait investment based on the Brait reported NAVPS of R8.37 and the Brait share price of R4.05.



The valuation of EMMF I's indirect investment in the MTN Group that is held via its investment in MTN Zakhele Futhi, is based on the latter's prevailing share price at 30 June 2022 of R23.50 (30 June 2021: R15.50) per share. Based on the MTN Group's last reported EBITDA and taking into account its debt levels as well as MTN Zakhele Futhi's debt, the share price implies an EV/maintainable EBITDA multiple of 5.1x.

Unlisted portfolio

Ethos Capital's attributable share of the Portfolio Companies' maintainable EBITDA (excluding the listed investments in Brait and MTN Zakhele Futhi and other investments that are not valued on an earnings/revenue-basis) as at 30 June 2022 was R290.2 million and its attributable share of the maintainable net debt was R446.9 million, equating to a net debt/EBITDA multiple of 1.5x (30 June 2021: 1.9x).

Based on the Company's attributable EBITDA and an implied EV/maintainable EBITDA multiple of 7.7x, the EV of the Company's participation in the underlying Portfolio Companies is c. R2.2 billion. The attributable net debt is subtracted to result in a net equity value of c.R1.8 billion, as set out below.

The implied EV/maintainable EBITDA multiple of 7.7x represents a 39% (30 June 2021: 49%) discount to the average EV/maintainable EBITDA multiple for the comparable peer groups of 12.7x. This discount applied to the peer group multiples represents the relevant discounts applied for, *inter alia*, liquidity, jurisdictional discount, risks and growth outlook.

The implied EV/earnings before interest after taxes (''EBIAT'') (equivalent to a price earnings ratio) of the portfolio was 12.5x.

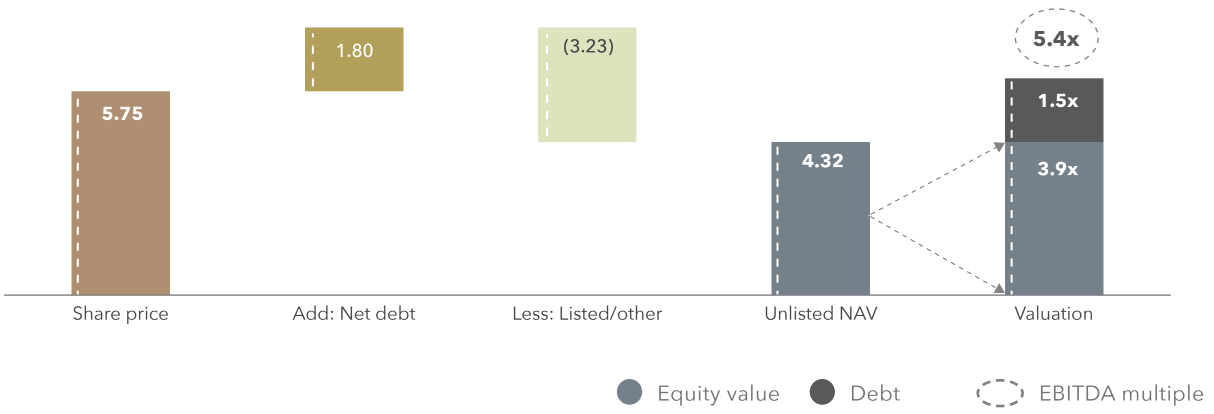
	30 June 2022 R'million	30 June 2021 R'million
Attributable EBITDA	290.2	257.3
Implied valuation multiple	7.73x	7.30x
Attributable EV	**2,244.2**	**1,877.5**
Less: Attributable debt	(446.9)	(489.6)
Attributable debt multiple	1.5x	1.9x
Attributable equity value	**1,797.3**	**1,387.9**
Add: Other equity investments	853.3	439.4
Total investments	**2,650.6**	**1,827.3**
Carrying value of invested capital per share (Rand)	**10.29**	**7.11**

Based on the Company's share price of R5.75 as at 30 June 2022, the market implied EV/EBITDA was 5.4x and the EV/EBIAT was 8.7x.

	Share price based 30 June 2022 R'million	NAV based 30 June 2022 R'million
Attributable EBITDA	290.2	290.2
Implied valuation multiple	5.37x	7.73
Implied multiple discount	31%	
Attributable EV	**1,559.2**	**2,244.2**
Less: Attributable debt	(446.9)	(446.9)
Attributable debt multiple	1.5x	1.5x
Attributable equity value	***1,112.2***	***1,797.3***
Add: Other equity investments	831.9	853.3
Total implied/actual investments	**1,944.1**	**2,650.6**
Carrying value of invested capital per share (Rand)	7.55	10.29
Debt (Rand)	(1.8)	(1.8)
NAVPS (Rand)	**5.75**	**8.49**
Invested capital discount	27%	

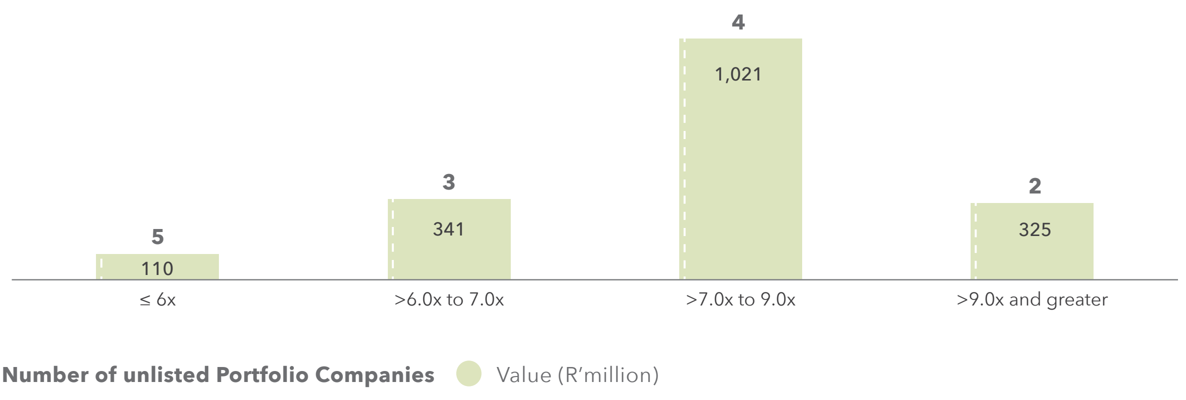
NAV-BASED VALUATION – RAND

SHARE-BASED VALUATION – RAND

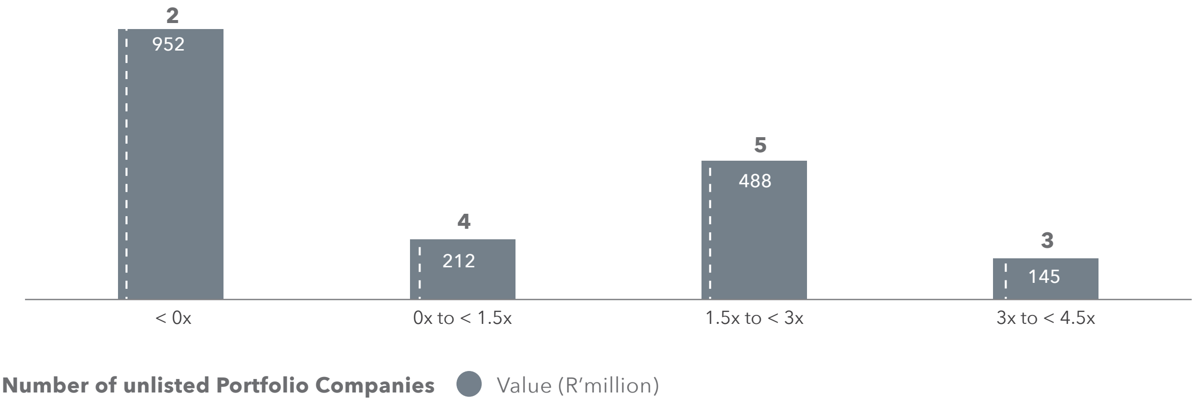


The analysis below sets out, for the unlisted Portfolio Companies that are valued on an earnings/revenue multiple method, the ranges of their implied maintainable EBITDA and net debt/EBITDA valuation multiples. In addition, the number of Portfolio Companies, and aggregate valuation for each range are detailed to reflect the relevant portfolio composition of each.

EV/MAINTANABLE EBITDA VALUATION MULTIPLE RANGE



DEBT/EBITDA MULTIPLE RANGE



Realisations

During the year to 30 June 2022 total distributions of R42.9 million were received from the various Ethos Funds.

Quarterly dividends totalling R24.9 million, attributed to the underlying investment in Optasia, were received from Ethos Capital's investments in EF VII, EDI and EAiF I.

Waco, an EF VI investment, made further distributions following the disposal of its UK business (Premier Modular), resulting in a further return of capital to Ethos Capital during the year of R0.6 million.

EF VII and EDI participated as underwriters in the Brait rights offer and received a fee of R2.9 million

In November 2021, Brait announced that the shareholders (including Brait) of Consol Glass had entered in a sale agreement to sell the company to Ardagh Group S.A. for an equity value of R10.1 billion, of which Brait will receive proceeds of R400 million at completion. This represented a 37% premium to the audited 31 March 2021 valuation of Consol Glass, and a 16% premium to the 30 September 2021 carrying value. Brait will use the proceeds to partially repay its bank debt. The sale was completed in May 2022.

Ethos announced in December 2021 that they have agreed the sale of Neopak, an EF VI investment, to the Corruseal Group. The transaction is subject to a number of regulatory conditions, including Competition Commission approval. The expected return on the investment represents 1.8x MOIC for EF VI; Ethos Capital acquired this investment via a Secondary Investment after the initial EF VI acquisition date, and is expected to achieve a return of 1.6x MOIC and receive proceeds of c.R8.7 million at completion. Subsequent to the above announcement, the Competition Commission withheld its approval and the decision is currently on appeal.

Following a strong performance, Gammatek repaid accrued interest on its shareholder loan, with the Company receiving proceeds of R6.7 million in May 2022. In June 2002, Bevco repaid interest to EF VI and Chibuku to EMP 3, of which Ethos Capital's share was R0.8 million and R0.4 million respectively.

As noted, the Company participated in the Brait rights issue in November 2021 and subscribed for exchangeable bonds that have to a coupon of 5%. In June 2022, coupon repayments were distributed to EF VII and EDI of which the Company's share was R6.6 million.

Available capital

Liquid resources and balance sheet management

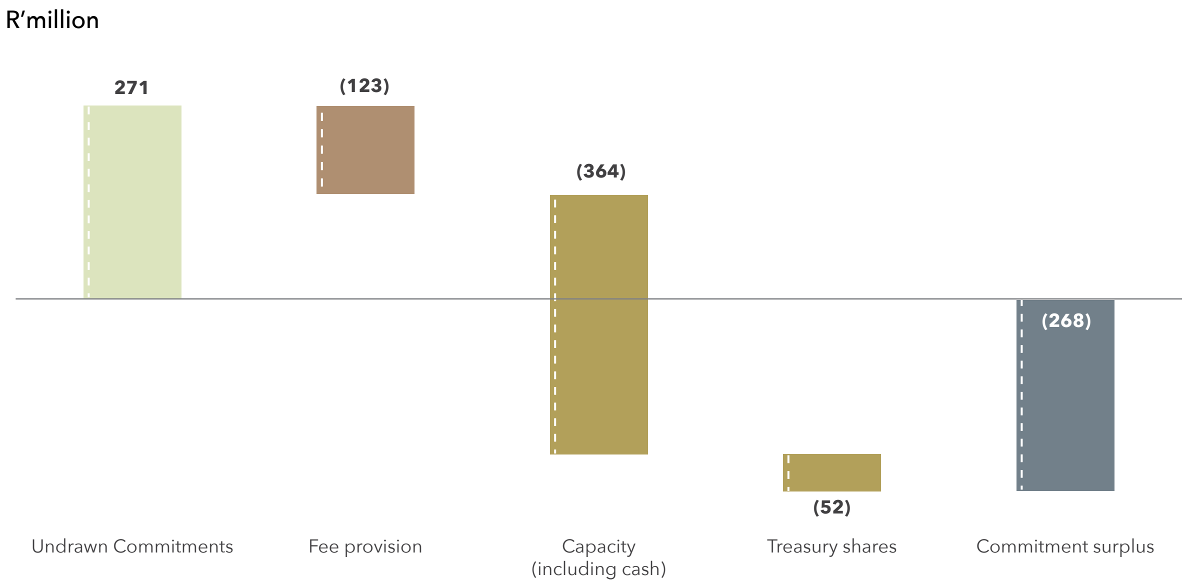
Ethos Capital has access to a R700 million five-year revolving credit facility with RMB, of which R450 million has been committed and the balance uncommitted and subject to lender credit process if further drawdowns are required.

The Company follows an "over-commitment" strategy in respect of the allocation of capital with the aim of optimising the NAVPS returns by utilising appropriate levels of gearing to enhance returns.

The Board assesses a number of key issues in determining the appropriate level of the over-commitment strategy. The Funds typically have an investment period of five years post their final close in which the Funds can call for capital from the investors to be invested in Portfolio Companies. The Funds would typically be less than 100% invested (for instance to allow a buffer for management fees to be drawn), and it is expected that realisations from the current investments will supplement the available resources before the end of the investment period. Furthermore, a Portfolio Company can raise additional financing through utilising its own bank facilities.

The Board, through the Investment Committee, regularly monitors the Company's liquidity forecast using a detailed model that forecasts potential capital calls from the Funds, operating expenses and the timing and quantum of distributions from expected portfolio realisations.

The graph below sets out the assumed unwinding of the current undrawn commitments if drawn at once. The undrawn commitments of each Fund, however, need to allow for quarterly management fees payable (until the exit of the last investment) and typically for a contingency reserve for existing investments, whether for add-ons or unforeseen funding requirements; hence, it is highly unlikely that this reserve (assumed 10% per Fund) balance will be drawn all or in full, and therefore is deducted from the immediate funding requirement. The Company can increase its committed facility to R700 million and draw against the available facility, which will be used to fund any further commitments drawn. However, based on the current covenant requirements and asset base, the Company can currently only draw an additional amount of R364 million of the facility until the current covenant level is reached. In addition, Ethos Capital could elect to sell the treasury shares to support any liquidity requirements. This results in a net implied commitment surplus of R268 million. The below demonstrates that Ethos Capital currently has adequate resources to settle its obligations and current undrawn commitments if we assume the commitments are drawn all at once, subject to the fees/reserve provision.



Based on the above analysis, the Board is confident that the Company has the ability to fund its existing commitments to the Funds as they fall due.

D. AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for the year ended 30 June 2022, the Integrated Annual Report and 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 2022.

E. NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ethos Capital shareholders will be held on Wednesday, 16 November 2022 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 Financials Statements.

The Notice of Annual General Meeting and proxy forms will also be available on the Company's website at *https://ethoscapital.mu/investors/governance/*

Salient dates

	2022
Record date to determine which shareholders are entitled to receive the notice of annual general meeting	Friday 7 October
Last day to trade in order to be eligible to attend and vote at the annual general meeting	Tuesday 8 November
Record date to determine which shareholders are entitled to attend and vote at the annual general meeting	Friday 11 November
Forms of proxy for the annual general meeting to be lodged by 14h00 on*, for administrative purposes	Monday 14 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.*

F. SUMMARISED ANNUAL FINANCIAL STATEMENTS

Responsibility

The Summarised Annual Financial Statements are extracted from audited Financial Statements but are themselves not audited. The Board of Directors take full responsibility for the preparation of the Summarised Annual Financial Statements and all financial information has been correctly extracted from the audited Financial Statements for the year ended 30 June 2022.

Independent report of the auditor

The Summarised Annual Financial Statements have been extracted from the audited Annual Financial Statements but are themselves not audited.

The accounting policies applied in the preparation of these Summarised Annual Financial Statements are, where applicable to the prior financial year, consistent in all material respects with those used in the prior financial year and with IFRS, except for the adoption of the IFRS revisions as noted previously. These however have not resulted in material changes to the Group's results and/or disclosures.

Summarised annual financial statements for the year ended 30 June 2022

These Summarised Annual Financial Statements comprise a summary of the complete audited Financial Statements for the year ended 30 June 2022 that were approved by the Board of Ethos Capital on 27 September 2022. The Summarised Annual Financial Statements do not contain sufficient information to allow for a complete understanding of the results of the Company, as would be provided in the complete audited Financial Statements.

The information required pursuant to paragraph 16A(j) of IAS 34 has not been included in these Summarised Annual Financial Statements as they are available in the full Annual Financial Statements that were published on the Company's website.

The complete audited Financial Statements are available at *https://ethoscapital.mu/investors/reports-results/* and can be obtained from the Company's registered office or upon request.

SUMMARISED STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2022

	Notes	Group		Company	
		30 June 2022 R'000	30 June 2021 R'000	30 June 2022 R'000	30 June 2021 R'000
Assets					
Non-current assets					
Unlisted investments at fair value	4	2,650,564	1,827,336	2,650,564	1,827,336
Total non-current assets		2,650,564	1,827,336	2,650,564	1,827,336
Current assets					
Other assets and receivables		10,876	10,835	10,874	10,832
Income tax receivable		3,318	903	3,318	903
Money market investments at fair value		–	40,796	–	40,796
Cash and cash equivalents		3,117	4,578	2,651	4,102
Total current assets		17,311	57,112	16,843	56,633
Total assets		2,667,875	1,884,448	2,667,407	1,883,969
Equity and liabilities					
Capital and reserves					
Issued capital	5	2,291,272	2,291,272	2,426,272	2,426,272
Accumulated losses		(104,344)	(574,882)	(71,562)	(554,394)
Total equity		2,186,928	1,716,390	2,354,710	1,871,878
Non-current liabilities					
Borrowings	6	460,485	155,967	292,235	–
Total non-current liabilities		460,485	155,967	292,235	–
Current liabilities					
Other liabilities and payables		20,462	12,091	20,462	12,091
Total current liabilities		20,462	12,091	20,462	12,091
Total equity and liabilities		2,667,875	1,884,448	2,667,407	1,883,969
Net asset value		2,186,928	1,716,390	2,354,710	1,871,878
Basic net asset value per share (Rand)	12.2	8.49	6.67	8.69	6.91
Attributable shares in issue at end of the year ('000)	12.2	257,500	257,500	271,000	271,000

SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

		Group		Company	
	Notes	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Income					
Changes in fair value of investments through profit or loss	7	510,923	31,510	510,923	31,510
Investment income	8	634	1,023	626	1,017
Net fair value gains/(losses)		11	(3)	11	(3)
Total income		511,568	32,530	511,560	32,524
Expenses					
Administration fees	9.1	(43)	(88)	(43)	(88)
Legal and consultancy fees	9.2	(582)	(542)	(582)	(542)
Other operating expenses	9.3	(8,277)	(7,642)	(8,258)	(7,624)
Finance costs	9.4	(29,089)	(14,639)	(16,806)	(3,621)
Total expenses		(37,991)	(22,911)	(25,689)	(11,875)
Profit before tax		473,577	9,619	485,871	20,649
Income tax expense		(3,039)	(4,979)	(3,039)	(4,979)
Profit for the year		470,538	4,640	482,832	15,670
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the year		470,538	4,640	482,832	15,670
Earnings per share					
Basic and diluted earnings per share (Rand)	12.1	1.82	0.02	1.78	0.06

The above relates to continuing operations as no operations were acquired or discontinued during the year.

SUMMARISED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

Group	Year ended 30 June 2022 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2021	2,291,272	(574,882)	1,716,390
Total comprehensive income for the year	–	470,538	470,538
Balance at 30 June 2022	2,291,272	(104,344)	2,186,928

	Year ended 30 June 2021 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2020	2,291,272	(579,522)	1,711,750
Total comprehensive income for the year	–	4,640	4,640
Balance at 30 June 2021	2,291,272	(574,882)	1,716,390

Company	Year ended 30 June 2022 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2021	2,426,272	(554,394)	1,871,878
Total comprehensive income for the year	–	482,832	482,832
Balance at 30 June 2022	2,426,272	(71,562)	2,354,710

	Year ended 30 June 2021 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2020	2,426,272	(570,064)	1,856,208
Total comprehensive income for the year	–	15,670	15,670
Balance at 30 June 2021	2,426,272	(554,394)	1,871,878

SUMMARISED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Group Year ended 30 June 2022 R'000	Group Year ended 30 June 2021 R'000	Company Year ended 30 June 2022 R'000	Company Year ended 30 June 2021 R'000
Cash flows from operating activities:					
Cash used in operations	11	(572)	(10,675)	(554)	(10,656)
Interest income from cash and bank balances	8	145	493	137	487
Finance costs paid	9.4	(16,806)	(3,621)	(16,806)	(3,621)
Income tax paid		(5,454)	(5,260)	(5,454)	(5,260)
Net cash used in operating activities before investment activities		(22,687)	(19,063)	(22,677)	(19,050)
Cash flows from investment activities					
Net cash flow from non-current investments		(312,305)	95,917	(312,305)	95,917
Payments to acquire non-current investments		(314,302)	(28,517)	(314,302)	(28,517)
Proceeds on disposal		484	106,812	484	106,812
Interest received		14,428	12,564	14,428	12,564
Dividends received		25,081	30,268	25,081	30,268
Fee income received		2,933	–	2,933	–
Withholding tax paid		(3,289)	–	(3,289)	–
Investment-related expenses		(37,640)	(25,210)	(37,640)	(25,210)
Net cash flow from current investments		41,285	(40,266)	41,285	(40,266)
Payments to acquire money market investments		–	(40,679)	–	(40,679)
Proceeds on maturities and disposals of money market investments		40,679	–	40,679	–
Interest received from money market investments		606	413	606	413
Net cash (used in)/from investment activities		(271,020)	55,651	(271,020)	55,651
Cash (used in)/from operating activities		(293,707)	36,588	(293,697)	36,601
Cash flows from financing activities:					
Proceeds from/(repayment of) borrowings		292,235	(40,000)	292,235	(40,000)
Net cash from/(used in) financing activities		292,235	(40,000)	292,235	(40,000)
Net decrease in cash and cash equivalents		(1,472)	(3,412)	(1,462)	(3,399)
Cash and cash equivalents at the beginning of the year		4,578	7,993	4,102	7,504
Effects of exchange rate changes on the balance of cash held in foreign currencies		11	(3)	11	(3)
Total cash and cash equivalents at the end of the year		3,117	4,578	2,651	4,102

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 General information

EPE Capital Partners Ltd ("Ethos Capital" or "the Company") was registered and incorporated in Mauritius as a private company on 26 May 2016 under the Mauritius Companies Act, and was converted to a public company on 15 July 2016. The Company is licensed as a Category One Global Business Company by the Financial Services Commission of Mauritius and is designed to offer shareholders long-term capital appreciation by investing into Funds or Co-Investments that provide the Company exposure to a diversified portfolio of unlisted private equity-type investments. The Group refers to the consolidated results of the Company and its deemed controlled entity.

2 Application of new and revised International Financial Reporting Standards ("IFRS")

The following new and revised standards and interpretations are relevant to the Group and have been adopted in these Group (consolidated) and Company Summarised Annual Financial Statements (collectively referred to as "Summarised Annual Financial Statements"). Their adoption has not had any significant impact on the amounts reported in these Summarised Annual Financial Statements but may have affected the accounting and disclosure of transactions and arrangements. These standards are effective for companies with financial year-ends beginning on or after the effective date as noted for each standard.

Standard	Subject	Effective date
Amendments/Improvements		
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest rate benchmark reform – Phase 2*	1 January 2021
IFRS 16	*Covid-19-related rent concessions beyond 30 June 2021*	1 April 2021

The standards issued but not yet effective for the financial year ending on 30 June 2022 that might be relevant to the Group and not implemented early, are as follows:

Amendments/Improvements		
Various	*Annual improvements to IFRS standards*	1 January 2022
IFRS 3	*Reference to the conceptual framework*	1 January 2022
IAS 1	*Classification of liabilities as current or non-current – deferral of effective date*	1 January 2023
IFRS 4	*Extension of the temporary exemption from applying IFRS 9*	1 January 2023
IAS 1, IFRS Practice Statement 2	*Disclosure of accounting policies*	1 January 2023
IAS 12	*Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023
IAS 8	*Definition of accounting estimates*	1 January 2023

The Directors have assessed the potential impact post the adoption of these standards and amendments on the Group's results and reasonably expect (based on the current assets, liabilities and operating business model) these to either be not applicable or there to be either no material impact on the measurement or disclosures in the Summarised Annual Financial Statements for the annual periods beginning on or after the respective dates as indicated above.

3 Significant accounting policies

3.1 Basis of preparation

These Summarised Annual Financial Statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS as issued by the International Accounting Standards Board; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; the Financial Pronouncements as issued by the Financial Reporting Standards Council; as a minimum, the information required by IAS 34; the Listings Requirements of the JSE; and the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licensed companies.

3 Significant accounting policies (continued)

The information required pursuant to paragraph 16A(j) of IAS 34 has not been included in these Summarised Annual Financial Statements as they are available in the full Annual Financial Statements that were published on the Company's website.

The Summarised Annual Financial Statements have been extracted from the audited Annual Financial Statements but are themselves not audited.

The accounting policies applied in the preparation of these Summarised Annual Financial Statements are, where applicable to the prior financial year, consistent in all material respects with those used in the prior financial year and with IFRS, except for the adoption of the IFRS revisions as noted previously. These however have not resulted in material changes to the Group's results and/or disclosures.

The Summarised Annual Financial Statements have been prepared under the historical cost basis except for financial instruments and investments which are measured at fair value.

The Directors believe the Group has adequate resources to settle its obligations as and when they become due, therefore these Summarised Annual Financial Statements have been prepared on the going concern basis

These Summarised Annual Financial Statements were compiled under the supervision of the Chief Financial Officer, Jean-Pierre van Onselen, CA(SA), and were approved by the Board on 27 September 2022.

3.2 Basis of consolidation

In accordance with IFRS 10, the Company continues to meet the definition of an investment entity. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing those investors with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all its investments on a fair value basis

The Group (consolidated) Summarised Annual Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to use its power to affect its returns.

The Group controls an entity when it has power over and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are consolidated from the date on which the Group acquires control, up to the date that control ceases.

When the Company has less than a majority of the voting rights of a controlled entity, it has power over the controlled entity when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the controlled entity unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in a controlled entity are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of controlled entities is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In accordance with the above, Black Hawk Private Equity (Proprietary) Limited ("Black Hawk") is assessed to be under the control of the Company.

At the Company's inception in 2016, it has provided a guarantee against a R105 million five-year non-recourse loan facility (plus any outstanding interest thereon) issued by Rand Merchant Bank ("RMB") to Black Hawk, expiring on 12 February 2025.

3.2 Basis of consolidation (continued)

The proceeds of the facility, alongside R30 million funded by Black Hawk shareholders, were used by Black Hawk to subscribe for 13.5 million of A Ordinary Shares (representing R135 million at the issue price of R10 per share) on behalf of the shareholders, who are Directors of the Company and members of its Investment Committee. Black Hawk has pledged the 13.5 million shares as security in favour of the Company against the guarantee provided by it. The Company also has a call option to acquire the 13.5 million shares, or a lower number of shares as might be required, to settle any outstanding amount due to RMB. The call option can be exercised only when either or both of the relevant Directors cease to serve on the Investment Committee of the Company.

The effect of consolidating the results of Black Hawk into the Group is to recognise at Group level the outstanding amount payable to RMB at the relevant reporting dates as a long-term liability; the 13.5 million secured shares that are legally owned by Black Hawk and pledged as security are treated as treasury shares of the Group at their par value of R10.00 per share; and to the extent that the par value of the shares, i.e. R135 million exceed the RMB outstanding amount, the excess over the latter is recognised as amounts payable to the Black Hawk shareholders; any deficit to the RMB outstanding amount is recognised as a loss to the Group.

There were no intercompany transactions and/or balances between the Group companies that otherwise needed to be eliminated on consolidation.

3.3 Segmental reporting

Since the Group has only one business segment, and all its investments are managed as one segment with the Board making commitments into private equity-type investments, segmental reporting is not applicable. While these private equity-type investments are potentially made in multiple industry sectors, the Board does not make its decisions or monitor investment performance individually as relevant to these sectors.

3.4 Critical judgement and accounting estimates: valuation of unlisted investments

The basis of valuation of all investments is fair value. Fair value is determined as of the end of each quarter. All investments are valued in accordance with IFRS and the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines.

As stated above, the Group's investments mainly comprise drawn commitments into Funds, which in turn invests in Portfolio Companies in which the Group has an indirect interest. In addition, the Group can also invest directly into a Portfolio Company (Co-Investments).

The General Partners of these Funds provide quarterly NAV statements as calculated from the Investment Advisor's valuations, which the Directors of the Group use to determine the fair value of a Fund or Co-Investments. The Investment Advisor's valuations, as prepared in December, are audited annually by its auditor and, its valuations, as prepared in June, are audited by the Group's auditor.

The Investment Advisor determines the individual fair value of each Portfolio Company and the Fund's NAV at the end of each quarter and the June and December valuations and NAV are approved by its Board of Advisors. The policy of the Investment Advisor to determine the fair value of the Portfolio Companies, which is in accordance with the IPEV Valuation Guidelines, is noted below.

At each reporting date after the initial acquisition date, an assessment is made of the fair value of the investment to determine any required changes in the fair value of the investment. An earnings multiple methodology is generally applied, although other methods are available and might be considered more appropriate, e.g. a discounted cash flow ("DCF") method or a NAV valuation method.

In terms of the earnings multiple method, an appropriate and reasonable valuation multiple is applied to the maintainable earnings of the investment. For each investment an EBITDA or an earnings before interest after tax ("EBIAT") multiple is generally considered appropriate to determine the enterprise value for the investment. In deriving a reasonable valuation multiple, the Investment Manager develops a benchmark multiple, generally with reference to the multiples of comparable publicly traded companies adjusted for finance costs (i.e. multiples have been degeared). The benchmark multiple is further adjusted for points of difference relating to risk profile (geographic, operational, financial and liquidity factors), and growth prospects.

Maintainable earnings are typically based on historical earnings figures that are adjusted for factors that are considered to be appropriate and relevant. These adjustments include, but are not limited to, exceptional or non-recurring items, the impact of discontinued activities and acquisitions, and forecast material changes in earnings. Once an enterprise value has been determined, it is adjusted for surplus assets, excess liabilities, and financial instruments ranking ahead of the Fund's investments. The resultant attributable enterprise value is then apportioned to all investors, included in the Fund's investments, based on their respective participation in each underlying security of the Portfolio Company.

3 Significant accounting policies (continued)

3.4 Critical judgement and accounting estimates: valuation of unlisted investments (continued)

Assessing the level of maintainable EBITDA and net debt of each Portfolio Company, especially during these unprecedent times, requires a high degree of judgement by Ethos; therefore, the valuations of the unlisted portfolio are subject to a degree of uncertainty and the underlying assumptions may prove in time not to be entirely accurate.

The discounted cash flow method is used to derive the enterprise value of the investment using reasonable assumptions on the estimations of expected future post-taxation cash flows and the terminal value (free cash flows to the Firm), and discounting to the present value by applying the appropriate risk-adjusted rate that captures the risk inherent to the projection's weighted average cost of capital ("WACC"). To arrive at an appropriate equity value, an adjustment for net indebtedness will be made. Where appropriate, an adjustment to the valuation would be made for surplus non-operating assets and liabilities in the investment.

A further method is the net asset value basis. This valuation technique involves deriving the value of a business by reference to the value of its net assets, on a fair value basis, and adjusting the value for surplus assets, excess liabilities and financial instruments ranking ahead of the Fund's investment. The resultant attributable equity value is then apportioned to all investors. This method is likely to be appropriate for a company: whose value is derived from its assets, such as an asset intensive business, rather than its earnings; a company that is not making an adequate return on assets and for which a greater value can be realised by selling its assets; or that is in the context of private equity investments, loss-making or only making marginal levels of profits.

The length of period for which it would remain appropriate to use this valuation technique will depend on the specific circumstances of the investment and is subject to the judgement of the General Partner.

Although best judgement is used in determining the fair value of these investments, there are inherent limitations in any valuation technique involving the type of securities in which the Funds invests. Therefore, the fair values presented herein may not be indicative of the amount the Funds could realise in a current transaction.

3.5 Net asset value per share

The Group calculates and presents the Group and Company's net asset value per share ("NAVPS"), which is not required in terms of IFRS. The Board is of the view that given the nature of the Group's business, the sustainability of the NAV and NAVPS, and the growth thereon over a longer period is considered the most appropriate measurement of the Group's financial performance.

In calculating the NAVPS, the Group and Company's NAV, as presented in the Statements of Financial Position, is divided by the number of shares as disclosed in note 9. For the purposes of the NAVPS calculation, the number of shares issued is calculated as the number of shares in issue at year-end, less treasury shares and less the notionally encumbered shares.

3.6 Going concern

The Directors believe the Group has adequate resources and/or options available to them to settle its obligations as and when they become due, therefore these Summarised Annual Financial Statements have been prepared on the going concern basis.

3.7 Statements of Cash flows

As noted, the Company is an investment holding company with a strategy to largely invest in longer-term investments by investing into four asset categories: Primary, Secondary, Direct and Temporary Investments. Given the core operating nature of the above strategy and the longer-term hold and realisation periods, it is the policy of the Group to classify and recognise all of its investment-related activities and investment income received from these investments as operating activities in the Statements of Cash flows. Any other investment strategy, not included in the above mentioned asset categories, will be classified and recognised as investing activities in the Statements of Cash flows.

4 Unlisted investments at fair value

The Group obtains exposure to and has indirect interests in a diversified pool of unquoted investments ("Portfolio Companies") by investing into Fund Limited Partnerships ("Funds"), managed by Ethos Private Equity (Pty) Limited ("Ethos"), that typically have a 10-year life cycle. The Group becomes a Limited Partner of the Fund and the investments are made through commitments into the Funds. Alternatively, the Group can also make Co-Investment commitments to invest into Portfolio Companies alongside the Funds.

At 30 June 2022, the Group had the following investments:

	Group		Company	
	30 June 2022 R'000	30 June 2021 R'000	30 June 2022 R'000	30 June 2021 R'000
Investments held at fair value through profit or loss:				
Carrying amounts of:				
Unlisted investments	2,650,564	1,827,336	2,650,564	1,827,336
	2,650,564	1,827,336	2,650,564	1,827,336
Comprising:				
Cost	2,904,268	2,590,450	2,904,268	2,590,450
Unrealised capital revaluation movement at the end of the year	(499,613)	(949,741)	(499,613)	(949,741)
Accrued income	245,909	186,627	245,909	186,627
	2,650,564	1,827,336	2,650,564	1,827,336

The investments consisted of the following 10 investments:

Group and Company	Participation in Ethos Funds/ Co-Investments 30 June 2022 %	Cost 30 June 2022 R'000	Valuation 30 June 2022 R'000	Income distributions received 30 June 2022 R'000	Devaluation 30 June 2022 R'000
Investments held at fair value through profit or loss:					
Consisting of unlisted investments in:					
EF VII[(1)]	61	804,587	970,104	24,363	–
EMMF I[(2)]	39	700,444	606,912	6,690	(93,532)
EDI[(3)]	1 – 6	808,462	579,086	8,406	(229,376)
EAiF I[(4)]	20	104,227	177,898	1,713	–
EHP[(5)]	13	96,152	144,446	–	–
Primedia Holdings (Pty) Ltd	4	144,247	73,039	–	(71,208)
EF VI[(6)]	<2	94,987	65,846	908	(29,141)
EMMF I Direct[(7)]	9	110,890	19,442	–	(91,448)
EMP 3[(8)]	n/a	18,115	13,791	362	(4,324)
Ster Kinekor Theatres Pty Ltd	4	22,157	–	–	(22,157)
		2,904,268	2,650,564	42,442	(541,186)

[(1)] *Ethos Fund VII (B) Partnership.*
[(2)] *Ethos Mid Market Fund I (B) Partnership.*
[(3)] *Ethos Direct Investment Partnership.*
[(4)] *Ethos Ai Fund I (B) Partnership.*
[(5)] *Ethos Healthcare (A) Partnership.*
[(6)] *Ethos Fund VI (Jersey) LP.*
[(7)] *Ethos Mid Market Direct Investment Partnership.*
[(8)] *Ethos Mezzanine Partners 3 (B) Partnership.*

4 Unlisted investments at fair value (continued)

The valuation (or NAV) of each investment is representative of its fair value and also represents the net assets of each.

The devaluation results from specific provisions made against certain of the underlying Portfolio Companies within each Fund or Co-Investment that are currently underperforming relative to its acquisition value, that in aggregate, devalues the NAV of the Group's investments to below its cost. Furthermore, the devaluation also related to the fair value of certain underlying listed investments that are reflected at the prevailing share price that currently is lower than the acquisition cost.

The above cumulative devaluation is still largely attributable to the COVID pandemic that had a significant impact on the underlying Portfolio Company valuations at that time, both from its impact on maintainable EBITDA and increased net debt to reflect the increased levels of working capital required to resume trading post lockdown, and also a reduction in the valuation multiples of the Portfolio Companies, largely driven by a reduction in the public market prices. This also had an impact on the share price of some of the listed investments.

Group and Company	**Participation in Ethos Funds/ Co-Investments 30 June 2021 %**	**Cost 30 June 2021 R'000**	**Valuation 30 June 2021 R'000**	**Income distributions received 30 June 2021 R'000**	**Devaluation 30 June 2021 R'000**
Investments held at fair value through profit or loss:					
Consisting of unlisted investments in:					
EF VII	61	796,878	697,765	26,232	(99,113)
EMMF I	38	597,362	456,381	156	(140,981)
EDI	1 – 6	637,803	275,973	5,838	(361,830)
EHP	13	93,513	137,647	–	–
EAiF I	20	74,905	98,036	5,179	–
Primedia Holdings (Pty) Ltd	4	144,247	64,298	–	(79,949)
EF VI	<2	94,579	59,820	5,427	(34,759)
EMM Direct	9	110,891	30,560	–	(80,331)
EMP 3	n/a	18,115	6,856	–	(11,259)
Ster Kinekor Theatres Pty Ltd	4	22,157	–	–	(22,157)
		2,590,450	1,827,336	42,832	(830,379)

Further details on the Ethos Funds that the Group invests in or alongside as a co-investor, are provided below:

Fund	**Type**	**Vintage year**	**Target enterprise value**	**Target investment size**
Ethos Fund VI	Large private equity	2011	R1.5 billion – R7 billion	R350 million – R900 million
Ethos Fund VII	Large private equity	2018	R1.5 billion – R7 billion	R350 million – R900 million
Ethos Mid Market Fund I	Mid-market private equity	2016	R0.5 billion – R1.5 billion	R100 million – R350 million
Ethos Ai Fund I	Co-Investment	2018	75% growth/25% early-stage growth equity	R100 million – R200 million
Ethos Healthcare Platform	Co-Investment	2018	n/a	n/a
Ethos Mezzanine Partners 3	Mezzanine and quasi-equity financing	2018	n/a	n/a

4 Unlisted investments at fair value (continued)

At 30 June 2022, the underlying investments (Portfolio Companies) of the above Funds constituting 99.4% of the total assets, consisted of the following 23 Portfolio Companies and the investment in exchangeable bonds:

Company Name	Fund or type	Economic interest %	Business description/sector	Percentage of total assets 30 June 2022 %	Percentage of total assets 30 June 2021 %
Optasia	EF VII/EAiF I/EDI	8.7	FinTech service provider	28.7	28.5
Premier (Brait)	EF VII/EDI	9.4	FMCG manufacturer	9.7	9.0
Virgin Active (Brait)	EF VII/EDI	6.9	Health club operator	8.7	9.5
Other (Brait)	EDI	5.7	Exchangeable bonds	7.5	n/a
Vertice	EHP/EAiF I/EF VI	17.4	MedTech	7.1	9.3
Echo	EMMF I/EF VII	32.8	Corporate ISP	7.0	9.1
Synerlytic	EMMF I	37.4	Specialised analytical and testing services	6.3	9.0
Crossfin	EMMF I/EAiF I	11.7	Fintech Group	5.2	n/a
Gammatek	EMMF I	20.2	TMT accessory distribution	5.0	5.5
Primedia	EF VI/Direct	4.7	Media	2.9	3.6
TymeBank	EAiF I	0.7	Banking	2.3	1.6
MTN Zakhele Futhi	EMMF I	1.7	Telecommunications	1.9	1.8
Kevro	EMMF I/EMM Direct	16.6	Corporate clothing and gifting	1.4	3.1
Autozone	EF VI/EMMF I	8.2	Automotive parts retailer & wholesaler	1.1	2.0
Eazi Access	EF VI/EMMF I	4.9	Industrial support services	1.1	1.0
The Beverage Company	EF VI	1.0	Carbonated drinks manufacturer	0.7	0.9
New Look (Brait)	EF VII/EDI	1.7	Multi-channel fast-fashion brand	0.7	0.7
Chibuku	EMP 3	n/a	Brewing and distribution	0.5	0.4
Consol Glass (Brait)	EF VII/EDI	0.4	Manufacturer of glass packaging	0.5	0.4
RTT	EF VI	0.7	Logistics	0.3	0.4
Neopak	EF VI	1.4	Paper and packaging	0.3	0.4
Waco International	EF VI	0.3	Industrial support services	0.3	0.4
Twinsaver	EF VI/EMMF I	7.5	FMCG manufacturer	0.2	0.4
Ster Kinekor	EF VI/Direct	4.7	Media (entertainment)	–	–
				99.4	97.0

Further details on the investment portfolio and the underlying Portfolio Companies are provided in the Review of the Investment Portfolio and Returns section on page 17 of the Integrated Annual Report as at 30 June 2022.

5 Issued capital

	Group		Company	
	30 June 2022 Number	30 June 2021 Number	30 June 2022 Number	30 June 2021 Number
Authorised, issued and fully paid				
A Ordinary Shares issued at R10.00 per share	180,000,000	180,000,000	180,000,000	180,000,000
A Ordinary Shares issued at R7.50 per share	100,000,000	100,000,000	100,000,000	100,000,000
A Ordinary Shares issued at R0.01 per share	7,500,000	7,500,000	7,500,000	7,500,000
B Ordinary Shares issued at R0.01 per share	10,000	10,000	10,000	10,000
	287,510,000	287,510,000	287,510,000	287,510,000
Black Hawk treasury shares (A Ordinary shares)	(13,500,000)	(13,500,000)	–	–
A Ordinary Shares repurchased	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Total issued share capital	265,010,000	265,010,000	278,510,000	278,510,000

	Group		Company	
	30 June 2022 R'000	30 June 2021 R'000	30 June 2022 R'000	30 June 2021 R'000
Issued and fully paid				
A Ordinary Shares issued at R10.00 per share	1,800,000	1,800,000	1,800,000	1,800,000
A Ordinary Shares issued at R7.50 per share	750,000	750,000	750,000	750,000
A Ordinary Shares issued at R0.01 per share	75	75	75	75
B Ordinary Shares issued at R0.01 per share	–	–	–	–
Less: Share issue costs	(49,389)	(49,389)	(49,389)	(49,389)
	2,500,686	2,500,686	2,500,686	2,500,686
Black Hawk treasury shares (A Ordinary Shares)	(135,000)	(135,000)	–	–
A Ordinary Shares repurchased	(74,414)	(74,414)	(74,414)	(74,414)
Total issued share capital	2,291,272	2,291,272	2,426,272	2,426,272

On 5 August 2016, 180,000,000 and 7,500,000 A Ordinary Shares, ranking *pari passu*, were issued at an issue price of R10.00 and R0.01 per share respectively. The A Ordinary Shares were admitted to listing and trading on the JSE at that date. Each A Ordinary Share entitles the holder to, including other rights as stated in the Company's Constitution, participate proportionately in any distribution made by the Company in respect of the A Ordinary Shares and to receive a proportion of the total net assets of the Company remaining upon its liquidation.

5 Issued capital (continued)

Costs that are directly attributable to the issue of all shares, amounting to R34,716,000, were capitalised and recognised as a deduction from share capital.

At the same time, 10,000 B Ordinary Shares were issued to the Trustees of the Ethos Private Equity Allocation Trust ("the EPE Trust"), at an issue price of R0.01 per share. These shares were not admitted to the JSE for listing and trading. The B Ordinary Shares are a mechanism to effect payment of the annual performance participation to the EPE Trust in the form of a cash dividend on the B Ordinary Shares, following the notional encumbrance termination date. The B Ordinary Shares therefore entitle the holders to, including other rights as stated in the Company's Constitution, participate proportionately in any distribution made by the Company in respect of the B Ordinary Shares and, upon the A Ordinary Shares issued to the EPE Trust at R0.01 per share ceasing to be encumbered (refer to note 12), to receive out of the profits of the Company an annual dividend that collectively represents the annual performance participation.

On 12 February 2020, the Company completed a Rights Issue whereby 100,000,000 A Ordinary Shares were issued at R7.50 per share. Costs amounting to R14,673,000 that are directly attributable to the share issue were capitalised and recognised as a deduction from share capital.

Further information on the A and B Ordinary Shares is provided in note 12.

Cumulative to date, the Company has purchased 9,000,000 A Ordinary Shares at an average price of R8.27 per share. These shares are currently held in treasury. As set out in note 10, the 13.5 million secured A Ordinary Shares that are legally owned by Black Hawk and pledged as security, are treated as treasury shares of the Group at their par value of R10.00 per share.

6 Borrowings

	Group		Company	
	30 June 2022 R'000	**30 June 2021 R'000**	**30 June 2022 R'000**	**30 June 2021 R'000**
Secured – at amortised cost:				
Revolving credit facility	292,235	–	292,235	–
Unsecured – at amortised cost:				
Loan facility	168,250	155,967	–	–
	460,485	155,967	292,235	–
Current	–	–	–	–
Non-current	460,485	155,967	292,235	–
	460,485	155,967	292,235	–

On 13 February 2020, the Company concluded a five-year revolving credit facility with FirstRand Bank Limited (acting through its Rand Merchant Bank ("RMB") division) which expires on 12 February 2025. The credit facility is secured against the Company's assets and is currently capped at a maximum of 3.5x the Company's NAV (subject to some pre-agreed adjustments). R450 million of the facility is currently committed, with R250 million uncommitted. Interest accrues at a rate that is based on JIBAR plus a 4.0% margin.

The Group has exposure to RMB via a R105 million five-year non-recourse loan facility (plus any outstanding interest thereon) issued by RMB to Black Hawk, expiring on 12 February 2025. This amount represents the current outstanding balance on the facility, including any accrued interest charges to 30 June 2022. Interest currently accrues at a rate that is based on JIBAR plus a 3.75% margin, and the interest is intended to be rolled up and settled with the capital amount outstanding upon the maturity of the loan or an earlier repayment event.

The carrying amount of the bank loans approximates their fair values.

7 Changes in fair value of investments through profit or loss

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Income:				
Interest accrued and received on unlisted investments	67,373	47,995	67,373	47,995
Dividends accrued and received on unlisted investments	31,418	42,423	31,418	42,423
Fee income received	2,933	–	2,933	–
	101,724	90,418	101,724	90,418
Net gain/(loss) arising on changes in the fair value of investments	450,128	(17,662)	450,128	(17,662)
Reversal of prior years' fair value gains on disposal	–	(20,510)	–	(20,510)
Gain on realisation of investments	–	4,474	–	4,474
	450,128	(33,698)	450,128	(33,698)
Tax expenses:				
Withholding tax	(3,289)	–	(3,289)	–
	(3,289)	–	(3,289)	–
Expenses:				
Ethos fees	(28,504)	(23,658)	(28,504)	(23,658)
Fund formation fees	–	(270)	–	(270)
Expenses relating to the acquisition of investments	–	(90)	–	(90)
Finance costs	(8,204)	–	(8,204)	–
Other Fund operating expenses	(932)	(1,192)	(932)	(1,192)
	(37,640)	(25,210)	(37,640)	(25,210)
	510,923	31,510	510,923	31,510

8 Investment income

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Income:				
Interest from money market investments	489	530	489	530
Interest from cash and bank balances	145	493	137	487
	634	1,023	626	1,017
Analysis of investment income by category of asset:				
Interest earned from assets designated at fair value through profit or loss	489	530	489	530
Loans and receivables (including cash and bank balances)	145	493	137	487
	634	1,023	626	1,017

9 Profit before tax

Profit before tax has been arrived at after charging:

9.1 Administration fees

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Administration fee – Ethos	25	47	25	47
Administration fee – Ashburton	18	41	18	41
	43	88	43	88

9.2 Legal and consultancy fees

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Professional advisors' fees	582	542	582	542
	582	542	582	542

9.3 Other operating expenses

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Company secretarial, accounting and other administration fees	421	740	421	740
Directors' emoluments	4,434	4,455	4,434	4,455
Auditors' remuneration	1,271	838	1,271	838
Insurance costs	352	278	352	278
Sponsor and listing-related fees	762	760	762	760
Publication costs	582	356	582	356
Other expenses	455	215	436	197
	8,277	7,642	8,258	7,624

9.4 Finance costs

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Secured:				
Interest on secured credit facility	12,788	1,542	12,788	1,542
Commitment and transaction fees	4,018	2,079	4,018	2,079
Total amount paid	16,806	3,621	16,806	3,621
Unsecured:				
Interest on unsecured loan facility	12,283	11,018	–	–
Total amount accrued	12,283	11,018	–	–
	29,089	14,639	16,806	3,621

10 Capital commitments and guarantees

	Group		Company	
	30 June 2022 R'000	30 June 2021 R'000	30 June 2022 R'000	30 June 2021 R'000
Undrawn capital commitments:				
Consisting of unlisted investments in:				
EMMF I[1]	212,215	318,915	212,215	318,915
EAiF I[2]	45,632	75,262	45,632	75,262
EF VI[3]	13,017	12,175	13,017	12,175
	270,864	406,352	270,864	406,352
Guarantee				
RMB Bank loan	–	–	168,250	155,967
	–	–	168,250	155,967
Total commitments and guarantees	270,864	406,352	439,114	562,319

(1) *Final commitment of R950 million to Ethos Mid Market Fund I (B) Partnership on 7 June 2018.*
(2) *First close commitment of R150 million to Ethos Ai Fund I (B) Partnership on 1 October 2018.*
(3) *Commitment of $10 million (R143 million) to Ethos Fund VI (Jersey) LP on 18 November 2016.*

The Company has provided a guarantee against a R105 million five-year non-recourse loan facility (plus any outstanding interest thereon) issued by RMB to Black Hawk, expiring on 12 February 2025. This amount represents the current outstanding balance on the facility, including any accrued interest charges to 30 June 2022. Interest currently accrues at a rate that is based on JIBAR plus a 3.75% margin, and the interest is intended to be rolled up and settled with the capital amount outstanding upon the maturity of the loan or an earlier repayment event.

As security against the above guarantee, Black Hawk has pledged 13.5 million shares in favour of the Company, which was valued at R77,625,000 at 30 June 2022. In the event that the guarantee was called at 30 June 2022, the Company would have been required to settle the outstanding RMB facility for an amount of R168,250,000.

The Board regularly monitors the Company's liquidity and NAV forecast, using a detailed model that forecasts potential capital calls from the Funds, operating expenses, and the timing and quantum of Fund distributions from expected Portfolio Company realisations. Based on the current forecast, no credit losses are expected in respect of the guarantee provided against the loan facility at its maturity date on 12 February 2025.

11 Notes to the Statements of Cash Flows

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Cash flows from operating activities before investing activities:				
Profit before tax for the year	473,577	9,619	485,871	20,649
Adjustments for:				
Investment income recognised in profit	(102,358)	(91,441)	(102,350)	(91,435)
Withholding tax on investments	3,289	–	3,289	–
Investment-related expenses	37,640	25,210	37,640	25,210
(Gain)/loss from fair value adjustments	(450,128)	38,172	(450,128)	38,172
Net foreign exchange (gain)/loss	(11)	3	(11)	3
Gain on disposal of investments	–	(4,474)	–	(4,474)
Finance costs recognised in profit	29,089	14,639	16,806	3,621
	(8,902)	(8,272)	(8,883)	(8,254)
Movements in working capital	8,330	(2,403)	8,329	(2,402)
Increase in trade and other receivables	(41)	(6,118)	(42)	(6,117)
Increase in other liabilities and payables	8,371	3,715	8,371	3,715
Cash used in operations	(572)	(10,675)	(554)	(10,656)

12 Earnings and NAVPS

As detailed in note 5, the Company has 287,500,000 A Ordinary Shares in issue, 7,500,000 of which were issued to the EPE Trust and are currently notionally encumbered. Until these shares are released from their encumbrance (through the notional performance participation), the Company has an irrevocable right and option to acquire the notionally encumbered A Ordinary Shares at a repurchase price of R0.01 per share, being each share's fair value, and then to apply for the delisting of such shares acquired. The holders of these shares are therefore restricted from selling the shares to any party other than the Company and obtaining or sharing in any economic benefit derived from the shares, until they are released from their encumbrance.

Given the restrictions the encumbered shares place on the holder and the probability of the shares being delisted unless certain contingent conditions are met, they are excluded from the calculations to determine the earnings, headline earnings and NAV respectively. The calculations below therefore reflect the earnings, headline earnings and NAV attributable to the unrestricted A ordinary shareholders.

12 Earnings and NAVPS (continued)

12.1 Earnings and headline earnings per share

	Group		Company	
	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Total comprehensive income attributable to ordinary shareholders	470,538	4,640	482,832	15,670
Reconciliation of basic earnings to headline earnings:				
Total comprehensive income attributable to ordinary shareholders	470,538	4,640	482,832	15,670
Reconciling items	–	–	–	–
Headline earnings for the year	470,538	4,640	482,832	15,670
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of earning per share	257,500	257,500	271,000	271,000
Basic and diluted earnings per share (Rand)	1.82	0.02	1.78	0.06
Basic and diluted headline earnings per share (Rand)	1.82	0.02	1.78	0.06

12.2 Basic net asset value per share

	Group		Company	
	30 June 2022 R'000	30 June 2021 R'000	30 June 2022 R'000	30 June 2021 R'000
Net asset value	2,186,928	1,716,390	2,354,710	1,871,878
	'000	'000	'000	'000
Number of shares in issue during the year	287,500	287,500	287,500	287,500
Less: Shares held in treasury	(22,500)	(22,500)	(9,000)	(9,000)
Less: Notionally encumbered shares	(7,500)	(7,500)	(7,500)	(7,500)
Number of attributable shares in issue at end of the year	257,500	257,500	271,000	271,000
Basic net asset value per share (Rand)	8.49	6.67	8.69	6.91

13 Related parties

Related parties are entities with the ability to control the other party or exercise significant influence over such party in making financial and operating decisions, or anyone that is part of the key management personnel (including Directors) of the Group. The Board of Directors considered the key agreements, transactions and relationships between the Group and other entities and has classified the entities listed below as a related party. Where applicable, any transaction with a related party is disclosed below.

Key management personnel (including Directors)

Non-executive Directors

Senior Advisors

Entity is a provider of key management personnel to the Group

Ethos

Entity controlled or jointly controlled by an identified related part of the Group and/or Company

Enoha GmbH (controlled by the Chairperson)

Black Hawk

13.1 Investment-related fees

The fees that were payable to the Ethos Group during the year and any outstanding balances at 30 June 2022, are listed below:

Group and Company	Year ended 30 June 2022 R'000	Year ended 30 June 2021 R'000
Fees payable:		
Administration fee	25	47
Management fees	1,512	652
Advisory fees	26,992	23,006
	28,529	23,705

	30 June 2022 R'000	30 June 2021 R'000
Outstanding balances:		
Administration fee	5	16
Advisory fees	6,445	5,638
	6,450	5,654

13.2 Remuneration of Directors

The individual remuneration of the Directors, who are classified as "key management personnel" and therefore as related parties of the Group, is disclosed in note 17 of the Notes to the Annual Financial Statements.

Included in the above remuneration is an amount of R738,000 (CHF45,000) (2021: R759,000) paid to Enoha GmbH in respect of the Director's remuneration of Yvonne Stillhart.

There was no outstanding remuneration due at 30 June 2022.

13.3 Other

As set out in note 10, the Company provided a guarantee on a R105 million loan facility (including any accrued interest) in favour of Black Hawk. Black Hawk subscribed to the A Ordinary Shares of the Company (see notes 5 and 10) for the benefit of the two Directors and/or their associates.

14 Financial risk factors and instruments

14.1 Overview

This note presents information about the Group's exposure to each of the below mentioned risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the products offered.

Through the Group's activities, it is exposed to a variety of risks that could result in changes to the NAV or its performance.

The main risks the Group is exposed to which could result in changes to the NAV or its performance are: capital risk; valuation risk; market risk (comprising currency risk, interest rate risk and equity price risk); credit risk; and liquidity risk.

These risks are detailed in note 24 of the Notes to the Annual Financial Statements as at 30 June 2022.

The financial instruments of the Group and Company are categorised and measured at FVTPL or at amortised cost, as set out in note 3, and the financial risks are managed according to these categories. The analysis below sets out the carrying amounts of the financial assets and liabilities according to the categories as required by IFRS 7 Financial Instruments: Disclosures.

	Group		Company	
At 30 June 2022	**Financial asset at FVTPL R'000**	**At amortised cost R'000**	**Financial asset at FVTPL R'000**	**At amortised cost R'000**
Financial assets:				
Unlisted investments at fair value	2,650,564	–	2,650,564	–
Other assets and receivables	–	10,876	–	10,874
Income tax receivable	–	3,318	–	3,318
Cash and cash equivalents	–	3,117	–	2,651
Financial liabilities:				
Borrowings	–	460,485	–	292,235
Other liabilities and payables	–	20,462	–	20,462
Guarantee:				
RMB bank loan	–	–	–	168,250
At 30 June 2021	**Financial asset at FVTPL R'000**	**At amortised cost R'000**	**Financial asset at FVTPL R'000**	**At amortised cost R'000**
Financial assets:				
Unlisted investments at fair value	1,827,336	–	1,827,336	–
Other assets and receivables	–	10,835	–	10,832
Income tax receivable	–	903	–	903
Money market investments at fair value	40,796	–	40,796	–
Cash and cash equivalents	–	4,578	–	4,102
Financial liabilities:				
Borrowings	–	155,967	–	–
Other liabilities and payables	–	12,091	–	12,091

14 Financial risk factors and instruments (continued)

14.2 Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of its Statement of Financial Position.

The capital structure of the Group consists of equity attributable to ordinary shareholders, comprising share capital, and retained earnings. The Group has access to a revolving credit facility to fund its core unlisted investments (if needed) in addition to the available Temporary Investments.

The Group's liquidity profile, current and forecast, is monitored on a continuous basis by the Board and is considered before investments are approved.

14.3 Valuation risk

Risk, policies and procedures

The Group's exposure to valuation risk arises from movements in its unquoted investments into the Funds, whose valuations in turn are derived from the valuations of the Portfolio Companies in which they invest. The Funds' NAV and Portfolio Companies are valued in accordance with the IPEV Valuation Guidelines and their valuations are largely derived from unobservable inputs. In addition, movements in the money market investments of the Group are valued by using observable inputs other than quoted prices, also provide valuation risk exposure.

As noted earlier, the General Partners of the Funds provide quarterly NAV statements as calculated from the Investment Advisor's valuations, which the Directors of the Group use to determine the fair value of a Fund. The financial year-end Directors' valuation at 30 June has been audited by the Group's auditor. As noted below, by being a limited partner in the Funds and where applicable, having a representative on the Advisory Committee of the Funds, the Board of Directors has access to summary information on the performance and valuations of the underlying Portfolio Companies to make an assessment of the Funds' fair value. Representatives of the Investment Advisor are also available to provide full and timely access to information and address any concerns the Board might have or provide any additional information requests. The Board will also regularly review and assess the appropriateness of its own valuation policy and the Investment Advisor's valuation policy and processes, as noted below and elsewhere in the report.

The Investment Advisor determines the individual fair value of each Fund's underlying Portfolio Companies at the end of each quarter. The individual valuations, as prepared by Ethos' investment executives, are independently reviewed by senior executives/partners of Ethos. These executives then submit and present the valuations to the Ethos Valuation Committee, which consists of a number of senior executives/partners of Ethos. Once the Committee has approved the valuations, the valuations are submitted to the General Partner, who will issue the quarterly NAV statements and summary information on the valuations to each Fund's Advisory Committee and its limited partners. In addition, the December valuations are reviewed and audited by the Funds' auditor, before being issued to the General Partner, and the June Funds' NAV valuations are audited by the Group's auditor.

14.4 Fair value classification of investments

Financial assets and liabilities carried at fair value need to be classified within the appropriate level of hierarchy on which their fair values are based. The information below sets out the different levels as well as the classification of the Group's assets and liabilities where appropriate.

Investments trading in active markets and deriving their fair value from quoted market prices of identical assets are classified within level 1. These prices provide the most reliable fair value classification and the Group does not need to adjust the quoted prices to measure the fair value of investments. The quoted market price used for investments held by the Group is the current bid price.

14 Financial risk factors and instruments (continued)

14.4 Fair value classification of investments (continued)

Investments trading in markets not considered to be active and deriving their fair value from observable inputs other than quoted prices included within level 1 are classified within level 2. These inputs need to be directly or indirectly observable for the investment and can include: quoted market prices for similar assets in active or non-active markets; observable inputs other than quoted prices; and inputs derived or corroborated by observable market data. The Group's money market investments will typically be classified within level 2.

Level 3 classification applies to investments where observable inputs are not available for the asset to determine its fair value. Unobservable inputs are used to measure fair value where relevant observable inputs are not available. The unlisted investments in Funds and Co-Investments are within this level.

The financial assets and liabilities measured at fair value in the Statements of Financial Position can be summarised as follows within the fair value hierarchy:

Group and Company	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets:				
Unlisted investments	772,884	–	1,877,680	2,650,564
At 30 June 2022	772,884	–	1,877,680	2,650,564

Group and Company	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets:				
Unlisted investments	402,259	–	1,425,077	1,827,336
Money market investments	–	40,796	–	40,796
At 30 June 2021	402,259	40,796	1,425,077	1,868,132

During the year there were no transfers of assets from level 1 to level 2 or 3, level 2 to level 1 or 3 and level 3 to level 1 or 2.

The following table presents the movement in level 3 assets during the year by class of financial instrument:

	Unlisted investments	
Group and Company	**30 June 2022 R'000**	**30 June 2021 R'000**
Non-current assets:		
Opening balance	1,425,077	1,438,999
Acquisitions	143,643	28,517
Realisations at 30 June 2021 carrying value	(8,342)	(125,441)
Net gains included in the Statements of Comprehensive Income	317,302	83,002
	1,877,680	1,425,077

15 Events after the reporting period

There have been no material events after the reporting date that would require disclosure or adjustment to the Summarised Annual Financial Statements for the year ended 30 June 2022.

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
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Company Secretary and Registered Office
Ocorian
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1 Cybercity
Ebene
Mauritius

Auditors
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Level 7, Standard Chartered Tower
19 Cybercity
Ebene
Mauritius

Deloitte & Touche
5 Magwa Crescent
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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)

28 September 2022

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)