

R2.7 billion carrying value
of invested capital, with
23 Portfolio Companies

R10.66 NAVPS at Brait's
NAVPS, and **R8.49 NAVPS**
at Brait's share price

7.7x EV/EBITDA
valuation multiple of unlisted
portfolio

34% LTM EBITDA
growth of unlisted investments

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

OVERVIEW

The 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 vast majority of the Ethos Capital Portfolio Companies achieved strong growth with profit levels in excess of their pre-COVID levels and those that have been more severely impacted, have also shown sustainable recovery.

The unlisted portfolio achieved a 22% return over the year, due to higher valuations broadly across the portfolio, including Optasia, Gammatek and TymeBank. The share prices of the listed investments (Brait and MTN Zakhele Futhi) increased significantly (42% and 52% respectively) during the year.

This resulted in an increase in Ethos Capital's NAVPS (including Brait at its share price) of 27% from R6.67 to R8.49. The corresponding NAVPS (including Brait at its NAVPS, that increased by 6% in the past year) increased by 16% from R9.19 (at 30 June 2021) to R10.66.

Through its participation in Ethos Funds, Ethos

Capital invested R314 million during the year, including a new fintech investment, CrossFin Technology Holdings (Pty) Ltd, and the Brait exchangeable bonds. These investments, coupled with the unrealised gains, increased Ethos Capital's total assets to R2.7 billion.

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.

EXTRACT OF STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 June 2022 R'million	30 June 2021 R'million	30 June 2022 R'million	30 June 2021 R'million
ASSETS				
Non-current assets				
Unlisted investments at fair value	2,650.6	1,827.3	2,650.6	1,827.3
Current assets	17.3	57.1	16.8	56.7
Trade and other receivables	14.2	11.7	14.2	11.8
Money market investments at fair value	-	40.8	-	40.8
Cash and cash equivalents	3.1	4.6	2.6	4.1
TOTAL ASSETS	2,667.9	1,884.4	2,667.4	1,884.0
EQUITY AND LIABILITIES				
Total Ordinary shareholders' equity	2,186.9	1,716.4	2,354.7	1,871.9
Non-current liabilities	460.5	156.0	292.2	-
Current liabilities	20.5	12.0	20.5	12.1
Total Liabilities	481.0	168.0	312.7	12.1
TOTAL EQUITY AND LIABILITIES	2,667.9	1,884.4	2,667.4	1,884.0
NET ASSET VALUE	2,186.9	1,716.4	2,354.7	1,871.9
Basic Net Asset Value per share (Rand)	8.49	6.67	8.69	6.91
Attributable shares in issue ('000)	257,500	257,500	271,000	271,000

THE ADVISOR: ETHOS

Ethos acts as Ethos Capital's Investment Advisor. In addition, Ethos is the Manager of the Funds that Ethos Capital invests in. Ethos is an investment firm that manages investments in private equity and mezzanine transactions in South Africa and other sub-Saharan African countries. Ethos has a 38-year history and a strong track record of successful, sustainable investing across economic and political cycles that has delivered 98 realised investments at a 24% gross IRR and a 2.5x multiple of cost for limited partners in its Large Equity Funds.

RESPONSIBILITY STATEMENT

This short-form announcement is the responsibility of the Directors of Ethos Capital and is only a summary of the information in the full announcement and does not contain full or complete details. The announcement is itself not audited but extracted from audited results. Any investment decision should be based on the full announcement published on SENS at: <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/EPEE/EPECAP0622.pdf>

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

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

INVESTMENT PORTFOLIO – AT 30 JUNE 2022

Name	Valuation R'million	% of total assets
Primary/Secondary Investments		
Ethos Fund VII	970.1	36.4
Ethos Mid Market Fund I	606.9	22.7
Ethos Ai Fund I	177.9	6.7
Ethos Healthcare Platform	144.5	5.4
Ethos Fund VI	65.8	2.5
Ethos Mezzanine Partners 3	13.8	0.5
Co-Investments		
Brait	304.1	11.4
Brait EB	187.7	7.0
Optasia	87.3	3.3
Primedia / Ster Kinekor	73.0	2.8
Kevro	19.5	0.7
	2,650.6	99.4

TOP 10 UNDERLYING PORTFOLIO COMPANIES – AT 30 JUNE 2022

Name	Business description	Year*	% of total assets
Optasia	FinTech service provider	2018	28.7
Premier (Brait)	FMCG manufacturer	2020	9.7
Virgin Active (Brait)	Health club operator	2020	8.7
Vertice	MedTech	2018	7.1
Echo	Corporate ISP	2018	7.0
Synerlytic	Specialised analytical and testing services	2019	6.3
Crossfin	FinTech group	2021	5.2
Gammatek	TMT accessory distribution	2018	5.0
Primedia	Media	2017	2.9
TymeBank	Banking	2019	2.3
			82.9
Brait EB	Exchangeable bonds	2021	7.5
Other (13 Portfolio Companies)			9.0
Total underlying investments			99.4

* Initial acquisition date by Ethos Fund



29 September 2022