

EPE CAPITAL PARTNERS LTD  
INCORPORATED IN THE REPUBLIC OF MAURITIUS  
REGISTRATION NUMBER: C138883 C1/GBL  
ISIN: MU0522S00005  
SHARE CODE: EPE  
("ETHOS CAPITAL" OR "THE COMPANY" OR "THE GROUP")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

## INTRODUCTION

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

The NAV of each Fund is derived from the fair values of the underlying Portfolio Companies which are prepared in accordance with International Private Equity and Venture Capital Valuation Guidelines, and largely consists of investments being valued on an earnings multiple method. In terms of this method, an appropriate valuation multiple, as derived from public market companies' multiples and adjusted by the investment manager for certain factors, is applied to an investment's maintainable earnings (e.g., earnings before interest, taxes, depreciation and amortisation ("EBITDA")) to determine the enterprise value of the investment that is then adjusted for surplus assets or net debt to derive the equity value of the investment attributable to its shareholders.

## 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.

On 18 November 2022, Ethos signed a definitive agreement with The Rohatyn Group ("TRG"), one of the largest alternative asset management firms in emerging markets ("the Transaction"). It will result in TRG taking cession of some of Ethos' management/advisory contracts and acquiring certain Ethos Funds' General Partner entities owned by Ethos. The current Ethos investment team will remain responsible for driving existing and new Fund strategies and advisory services in sub-Saharan Africa ("SSA"), where TRG is not currently represented.

TRG has given its commitment to existing Ethos investors that it will continue to operate the relevant Ethos Funds and management/advisory contracts in the same way as they have been conducted to date. The Ethos Funds' key person clauses remain unaffected, and the Transaction will also not impact the Ethos Funds' Limited Partners' rights and obligations.

## RESULTS ANNOUNCEMENT

### Key highlights over the six-month period

- Continued demonstration of exiting investments at a premium to NAV
- Realised proceeds of R214 million during the period, including partial sale of Optasia with its MOIC increasing to 3.0x
- Attributable LTM EBITDA of unlisted portfolio grew by 16%, benefitting from active management in private markets
- NAVPS of R10.80 (at Brait's NAVPS), and R8.51, (at Brait's share price), representing annual increases of 7% and 3% respectively
- Carrying value of invested capital at R2.6 billion with exposure to 21 Portfolio Companies
- Ongoing focus on maximising and realising value for investors

### Overview

The past six months have seen a continuation of the uncertainty and volatility in world markets, driven by concerns about inflation, higher interest rates, risks to energy availability, and supply chain constraints. The local markets were impacted by political instability and sustained Eskom load shedding

issues throughout the period. The impact of load shedding was felt by most Portfolio Companies with significant operational disruptions and financial implications, and it negatively affected consumer confidence.

Despite these challenges, the last 12 months ("LTM") attributable sales and EBITDA of the Portfolio Companies (that are valued on an earnings/revenue-based valuation methodology) increased on an aggregate basis by 15% and 16% respectively, with the equivalent growth of the top 5 unlisted investments achieving growth of 23% and 16%. From a valuation perspective though, the LTM maintainable EBITDA increased by 1% over 30 June 2022 with the EV/maintainable EBITDA multiple increasing to 8.2x (30 June 2022: 7.7x), largely driven by the increase in Optasia's valuation multiple as noted below.

In December 2022, Optasia concluded a transaction whereby a new consortium led by an existing shareholder has acquired a 17.4% stake in Optasia, with an option to increase the stake to 20%. The acquisition multiple was at a significant premium (22%) to the 30 June 2022 Ethos valuation multiple, resulting in a significant revaluation at 31 December 2022. Through its commitments to the Ethos Funds, Ethos Capital realised 14% of its participation in Optasia for R167 million, thereby increasing the Multiple on Invested Capital ("MOIC") on its investment to 3.0x.

In aggregate, Ethos Capital realised gross proceeds of R214 million during the period, including R15 million of dividends from Optasia and R20 million from the Crossfin Group in relation to the sale of Retail Capital to TymeBank also at a significant premium to pre-sale carrying value. During the six-month period, Ethos Capital participated in follow-on investments via the Ethos Funds of R61.5 million, investing in Crossfin, Kevro and Echo.

The Ethos Capital NAVPS (including Brait at its NAVPS, that increased marginally over the period) increased by 1.3% from R10.66 to R10.80, largely resulting from the unlisted portfolio. The portfolio achieved an 8% return (R148 million) over the period, predominantly driven by increases in Optasia following the partial sale transaction, and strong performances from Synerlytic and Gammatak.

The prices of the listed assets, consisting of ordinary shares in Brait and MTN Zakhele Futhi and the Brait exchangeable bonds, decreased by 5%, 17% and 18% respectively, resulting in a negative return of R86 million, net of coupon proceeds received on the exchangeable bonds.

Overall, the increases in the investment portfolio contributed to a slight increase in Ethos Capital's NAVPS (including Brait at its share price) from R8.49 to R8.51 over the six months.

As part of its continued assessment to enhance NAVPS and manage the Group's liquidity, the Board has approved a share buyback program that will be implemented imminently.

## FINANCIAL POSITION AND INVESTMENT PORTFOLIO

### EXTRACT OF STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	R'million	R'million	R'million	R'million
<b>ASSETS</b>				
Non-current assets				
Unlisted investments at fair value	2,602.1	2,650.6	2,602.1	2,650.6
Current assets				
Trade and other receivables	98.2	17.3	97.7	16.8
Cash and cash equivalents	90.0	14.2	90.0	14.2
	8.2	3.1	7.7	2.6
<b>TOTAL ASSETS</b>	<b>2,700.3</b>	<b>2,667.9</b>	<b>2,699.8</b>	<b>2,667.4</b>
<b>EQUITY AND LIABILITIES</b>				
Total Ordinary shareholders' equity	2,192.4	2,186.9	2,368.3	2,354.7
Non-current liabilities				
Current liabilities	498.9	460.5	322.5	292.2
Total Liabilities	9.0	20.5	9.0	20.5
	507.9	481.0	331.5	312.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,700.3</b>	<b>2,667.9</b>	<b>2,699.8</b>	<b>2,667.4</b>

NET ASSET VALUE	2,192.4	2,186.9	2,368.3	2,354.7
Basic Net Asset Value per share (Rand)	8.51	8.49	8.74	8.69
Attributable shares in issue ('000)	257,500	257,500	271,000	271,000

#### INVESTMENT PORTFOLIO - AT 31 DECEMBER 2022

Name	Valuation R'million	% of total assets
Primary/Secondary Investments		
Ethos Fund VII	977.5	36.2
Ethos Mid Market Fund I	609.2	22.6
Ethos Ai Fund I	174.9	6.5
Ethos Healthcare Platform	124.0	4.6
Ethos Fund VI	62.7	2.3
Ethos Mezzanine Partners 3	22.8	0.8
Co-Investments		
Brait	289.1	10.7
Brait EB	153.6	5.7
Optasia	87.5	3.2
Primedia	77.1	2.9
Kevro	23.7	0.9
	2,602.1	96.4

#### TOP 10 UNDERLYING PORTFOLIO COMPANIES - AT 31 DECEMBER 2022

Name	Business description	Year*	% of total assets
Optasia	FinTech service provider	2018	28.4
Premier (Brait)	FMCG manufacturer	2020	10.0
Virgin Active (Brait)	Health club operator	2020	7.6
Echo	Corporate ISP	2018	6.9
Synerlytic	Specialised analytical and testing services	2019	6.9
Vertice	MedTech	2018	6.0
Crossfin	FinTech group	2021	5.3
Gammatek	TMT accessory distribution	2018	5.2
Primedia	Media	2017	3.0
TymeBank	Banking	2019	2.3
			81.6
Brait EB	Exchangeable bonds	2021	6.8
Other (11 Portfolio Companies)			8.0
Total underlying investments			96.4

\* Initial acquisition date by Ethos Fund

#### RESPONSIBILITY STATEMENT

This short-form announcement is the responsibility of the Directors of Ethos Capital and is only a summary of the information in the full announcement and does not contain full or complete details. The announcement is itself not audited but extracted from unaudited results. Any investment decision should be based on the full announcement which is available from today at:

<https://senspdf.jse.co.za/documents/2023/JSE/ISSE/EPEE/EPECAP1222.pdf>

and is published on the Company's website 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](mailto:ethoscapital@ocorian.com).

#### PRESENTATION

Ethos Capital will host a webcast presentation at 12h00 pm on Wednesday 15 March 2023 covering the results relating to the six months ended 31 December 2022, and outlook. A copy of the presentation will be available for download on the Company's website at <https://ethoscapital.mu/investors/reports-results/>

Participants can obtain access via one of the following links:

<https://www.diamondpass.net/7593012>

#### 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

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Ebene

Mauritius

##### Auditors

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19 Cybercity

Ebene

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Deloitte & Touche

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

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

Ebene, Mauritius (with simultaneous circulation in Johannesburg)  
15 March 2023

Sponsor  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)