

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")

ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024 AND AVAILABILITY OF B-BBEE COMPLIANCE REPORT

INTRODUCTION

EPE Capital Partners Ltd is an investment holding company, registered, and incorporated in Mauritius and listed on the Johannesburg Stock Exchange ("JSE"). It invests directly into Funds or Co-Investments that are actively managed by Rohatyn Management South Africa (Pty) Limited ("TRG SA"), providing the Company with largely indirect exposure to a diversified portfolio of unlisted private equity-type investments ("Portfolio Companies"). In addition, TRG SA acts as the Company's Investment Advisor.

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

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 or revenue 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")) or revenue 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.

RESULTS ANNOUNCEMENT

Key highlights over the year

- The 17.9% decline in Group NAVPS from R8.56 to R7.03 was largely driven by the significant decline in the Brait ordinary share price
- The performance of the unlisted portfolio remained robust with reported LTM Revenue and EBITDA increasing by 12% and 18% respectively
- Optasia's strong operational performance continued (US\$ EBITDA growth of 10%) with a significant step-up in its run-rate EBITDA since May 2024 due to new deployments and products however, the valuation was negatively impacted by the material Naira devaluation
- Strong operational turnaround at Twinsaver and increases in valuation of Synerlytic and Crossfin due to concluded sale processes resulted in an increase in the unlisted portfolio NAV
- TymeBank concluded another capital raising round post year-end at a significant premium to the June 2024 carrying value
- Significant realisations during the past year and post year-end to date resulted in total proceeds received of R457m
- This brought the total proceeds received by Ethos Capital since listing to over R1bn (constituting 47% of invested capital), with realised assets delivering a MOIC of 1.7x with a realised IRR of 17%
- Proceeds received have resulted in a reduction in debt to c.R200m which will facilitate return of capital to shareholders
- Material unlock of shareholder value through the Brait unbundling (with a consequential reduction in NAVPS volatility) resulting in the discount to NAVPS falling from over 50% pre-30 June 2024 to c.30% as at 26 September 2024. The Brait ordinary share price has also increased significantly post 30 June 2024
- Ethos Capital has returned R215m of capital to shareholders since listing through share buybacks and the Brait unbundling and the Board will continue to explore alternatives for expediting the return of capital to shareholders.

Overview

Over the past year, the global economy has continued to face headwinds, with persistent inflation, high interest rates and geopolitical uncertainties (particularly Ukraine and Gaza/Israel) continuing. The South African economic landscape faced ongoing challenges with constrained GDP growth, continued loadshedding and significant political uncertainty in the run up to the South African elections. However, the last few months of the financial year generated some optimism, driven by the suspension of loadshedding in March 2024, the introduction of a Government of National Unity ("GNU") and the largely peaceful transition from an ANC controlled government to the GNU generated some hope of economic reforms and governance.

Ethos Capital's NAVPS decreased by 17.9% to R7.03 (30 June 2023: R8.56) over the year. The decrease was largely attributable to the listed portfolio that fell by 52%, with the Brait ordinary share price down 73% year-on-year.

The unlisted portfolio had a mixed performance and delivered a 12.3% return, that was reduced to 4.2% after taking into account the foreign exchange devaluation of Optasia as is noted further below in the report. There were notable increases in the values of Synerlytic and Crossfin, following successful sale processes that were either concluded or signed, and strong performances from Gammatek and Twinsaver.

The unlisted Portfolio Companies grew reported last-twelve-months ("LTM") revenues and EBITDA by 12% and 18% respectively. The portfolio benefitted from a significant turnaround on a number of underperforming assets. The top five unlisted investments grew their LTM revenue and LTM EBITDA by 10% and 9%

respectively.

The largest unlisted investment exposure in Ethos Capital is to Optasia. While Optasia's operational performance was strong, its earnings were significantly impacted by currency devaluations across some of its key territories, leading to a normalisation adjustment to its maintainable EBITDA. The earnings adjustment, alongside the strengthening of the ZAR against the US\$, resulted in a 7% reduction to its 30 June 2024 valuation (adjusted for dividend proceeds received).

Including realisations post 30 June 2024 to date, Ethos Capital received proceeds of R457 million during the period, that included the sale of Neopak, The Beverage Company and Synerlytic (The Particle Group and WearCheck). The sale of Adumo (Crossfin) is expected to conclude in October 2024. Pleasingly, all these realisations were achieved at premiums to their carrying values.

In August 2024, the Brait ordinary shares, valued at an Ethos Capital NAVPS of R0.45 at 30 June 2024, were unbundled to Ethos Capital shareholders. As the Company announced in November 2023, post an engagement with its shareholders, the Board of Ethos Capital has revised the Company's strategy to focus on the monetisation of the asset base and a return of capital to shareholders. The Board will continue to evaluate alternatives to optimise shareholder returns in line with this strategy.

FINANCIAL POSITION AND INVESTMENT PORTFOLIO

SUMMARISED STATEMENT OF FINANCIAL POSITION

| | Group 30 June 2024 R'million | 30 June 2023 R'million |
|-------------------------------------|------------------------------------|---------------------------|
| ASSETS | | |
| Non-current assets | | |
| Unlisted investments at fair value | 2,309.2 | 2,688.1 |
| Current assets | 19.1 | 20.0 |
| TOTAL ASSETS | 2,328.3 | 2,708.1 |
| EQUITY AND LIABILITIES | | |
| Total Ordinary shareholders' equity | 1,784.4 | 2,172.1 |
| Total Liabilities | 543.9 | 536.0 |
| TOTAL EQUITY AND LIABILITIES | 2,328.3 | 2,708.1 |
| NET ASSET VALUE | 1,784.4 | 2,172.1 |
| Net Asset Value per share (Rand) | 7.03 | 8.56 |
| Attributable shares in issue ('000) | 253,885 | 253,885 |

INVESTMENT PORTFOLIO - AT 30 JUNE 2024

| Name | Valuation R'million | % of total assets |
|--------------------------------------|------------------------|----------------------|
| Primary/Secondary Investments | | |
| Ethos Mid Market Fund I | 765.8 | 32.9 |
| TRG AF VII | 734.0 | 31.5 |
| Ethos Ai Fund I | 247.6 | 10.6 |
| Ethos Healthcare Platform | 126.2 | 5.4 |
| Ethos Fund VI | 33.5 | 1.5 |
| Ethos Mezzanine Partners 3 | 18.6 | 0.8 |
| Co-Investments | | |
| Brait EB | 136.5 | 5.9 |
| Optasia | 84.5 | 3.6 |
| Brait | 66.1 | 2.9 |
| Primedia | 86.9 | 3.7 |
| Kevro | 9.5 | 0.4 |
| | 2,309.2 | 99.2 |

TOP 10 UNDERLYING PORTFOLIO COMPANIES - AT 30 JUNE 2024

| Name | Business description | Year* | % of Total assets |
|------------|---|-------|----------------------|
| Optasia | FinTech service provider | 2018 | 32.3 |
| Synerlytic | Specialised analytical and testing services | 2019 | 11.6 |

| | | | |
|--------------------------------|----------------------------|------|------|
| Vertice | MedTech | 2018 | 7.4 |
| Crossfin | FinTech group | 2021 | 7.3 |
| Gammatek | TMT accessory distribution | 2018 | 6.7 |
| TymeBank | Banking | 2019 | 4.8 |
| Echo | Corporate ISP | 2018 | 4.7 |
| Primedia | Media | 2017 | 4.0 |
| Virgin Active (Brait) | Health club operator | 2020 | 3.6 |
| e4 | Software as a Service | 2023 | 2.8 |
| | | | 85.2 |
| Brait EB | Exchangeable bonds | 2021 | 6.5 |
| Other (10 Portfolio Companies) | | | 7.5 |
| Total underlying investments | | | 99.2 |

* Initial acquisition date by TRG SA Fund

AVAILABILITY OF AUDITED ANNUAL FINANCIAL STATEMENTS

The audited Annual Financial Statements, alongside the Integrated Annual Report, are available from today at the below JSE cloudlink,

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/EPEE/EPECAP0624.pdf>

and both are published on the Company's website at,

<https://ethoscapital.mu/investors/reports-results/>

Deloitte & Touche, the Group's independent auditor, has audited the Consolidated and Company Annual Financial Statements and has expressed an unmodified audit opinion thereon.

The results announcement does not provide full or all of the details and therefore any investment decision should be based on a consideration of the Annual Financial Statements as a whole, which is available for viewing from today at the links as set out above.

PRESENTATION

Ethos Capital will host a webcast presentation at 13h00 on Monday 30 September 2024 covering the results relating to the year ended 30 June 2024, 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 the following link:

<https://www.diamondpass.net/6069233>

AVAILABILITY OF B-BBEE COMPLIANCE REPORT

Shareholders are advised that the annual compliance report in terms of Section 13G(2) of the Broad-Based Black Economic Empowerment Amendment Act No.46 of 2013, is available on the Company's website at <https://ethoscapital.mu/investors/governance/>

CORPORATE INFORMATION

Directors

Yvonne Stillhart (Chairperson)

Derek Prout-Jones

Kevin Allagapen

Michael Pfaff

Yuvraj Juwaheer

Senior Advisors (Officers)

Anthonie de Beer (CEO; appointed 1 July 2024)

Peter Hayward-Butt (CEO; resigned 30 June 2024)

Jean-Pierre van Onselen (CFO)

Investment Advisor

TRG Management South Africa (Pty) Ltd

Rosebank Towers

15 Biermann Avenue

Office Level 3

Rosebank, 2196

Company Secretary and Registered Office
Ocorian
6th Floor, Tower A
1 Exchange Square
Wall Street
Ebene
Mauritius

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

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Johannesburg, 2090

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

Transfer Secretaries
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
This announcement is extracted from the audited financial statements but is itself not audited

Ebene, Mauritius (with simultaneous circulation in Johannesburg)
30 September 2024

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