ETHOS CAPITAL

INTEGRATED ANNUAL REPORT

for the year ended 30 June 2024

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INTRODUCTION

INTRODUCTION

EPE Capital Partners Ltd ("Ethos Capital" or "the Company") is an investment holding company, registered and incorporated in Mauritius and listed on the Johannesburg Stock Exchange Ltd ("JSE"). It invests directly into Funds or Co-Investments which give the Company largely indirect exposure to a diversified portfolio of unlisted private equity-type investments ("Portfolio Companies").

Ethos Private Equity (Pty) Limited ("Ethos"), a leading alternative asset management firm in Africa, has acted as the Company's Investment Advisor since July 2016 and in addition, has managed all the Funds that the Company invests in.

On 1 April 2023, The Rohatyn Group ("TRG Group"), a specialised global asset management firm focused on investment solutions in emerging markets and real assets that is headquartered in New York, acquired the business of Ethos. Rohatyn Management South Africa Proprietary Limited ("TRG SA") has since assumed responsibility as the sole Investment Advisor to Ethos Capital.

Ethos Capital will continue to hold its investments in the Ethos Funds (largely renamed TRG SA Funds) on the previous terms. Unless specifically noted otherwise, references throughout this report to "TRG" refers individually and collectively to Ethos, TRG Group and TRG SA.

References in this report to "The Group" refer to the consolidated results of Ethos Capital and its subsidiary.

Scope of the Integrated Annual Report

This Integrated Annual Report combines the financial and non-financial information of Ethos Capital for the financial year ended 30 June 2024. The Integrated Annual Report adheres to the requirements of the Mauritius Companies Act, Act No. 15 of 2001 ("the Mauritius Companies Act") and the JSE Listings Requirements ("Listings Requirements") and considers the recommendations of the King Report on Corporate Governance™ for South Africa, 2016 ("King IV")[(1)].

External assurance

The Ethos Capital Board of Directors ("Board") has drawn assurance on the Integrated Annual Report from the external auditor, Deloitte & Touche South Africa, through its audit of the Annual Financial Statements and its report to shareholders on page 71 of the Annual Financial Statements.

The Integrated Annual Report has been reviewed by the Audit and Risk Committee and approved by the Board, and signed by Yvonne Stillhart and Kevin Allagapen on behalf of the Board.

The Board does not consider it necessary to seek any further external assurance on the Integrated Annual Report.

Materiality

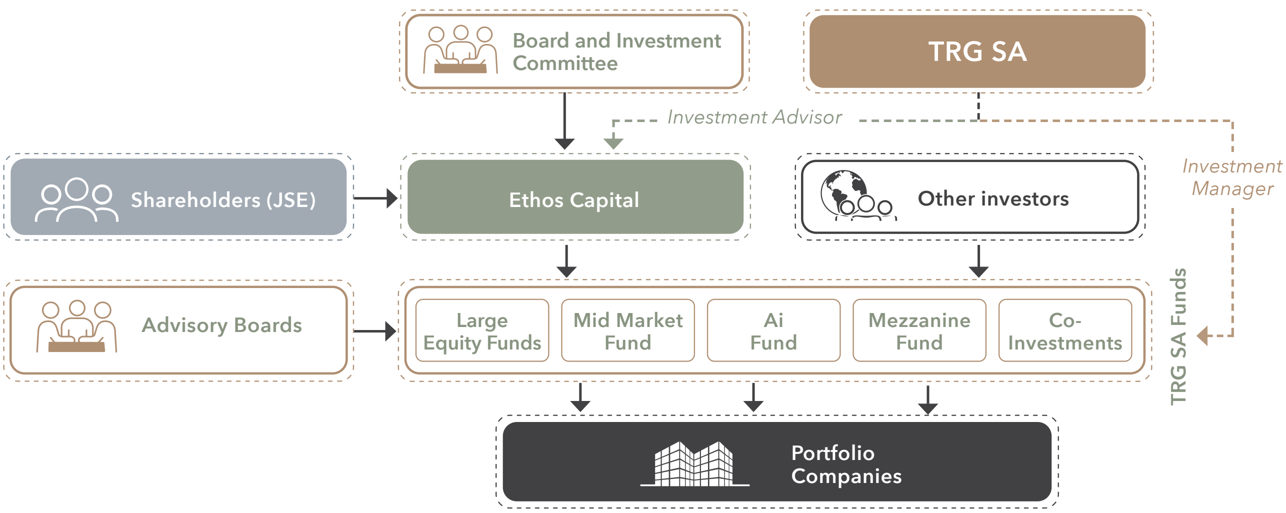
The Board is responsible for the process of determining how best to disclose the performance of the Group in a transparent manner. The performance is largely measured by the growth in the net asset value ("NAV") and NAV per share ("NAVPS") of the Group and the Board has adopted the NAVPS as the relevant measure for trading statement purposes. The Board has considered all material aspects it is aware of and that are material in the context of the performance of the Group. These material items are included in the Integrated Annual Report.

Reported currency

Unless otherwise stated, all amounts presented in the Integrated Annual Report are presented in South African Rand ("ZAR" or "R").

Forward-looking statements

The Integrated Annual Report may contain statements regarding the future expected financial position and results of the Group, which involve risk and uncertainty. These forward-looking statements have not been reviewed or reported on by the Company's auditor.



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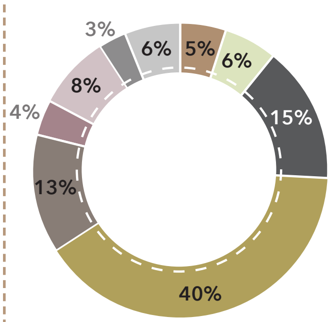
FINANCIAL AND OPERATIONAL HIGHLIGHTS

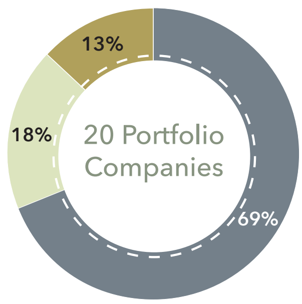
A year of significant global challenges and slow local economic growth but with renewed optimism and encouraging outcome of realisations and unlisted portfolio growth

R2.3 billion carrying value of invested capital and NAVPS of R7.03

R134 million proceeds received during the year; R323 million received post 30 June 2024 to date

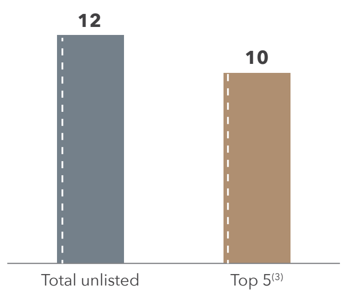
a well-diversified portfolio with exposure to sectors and geographies



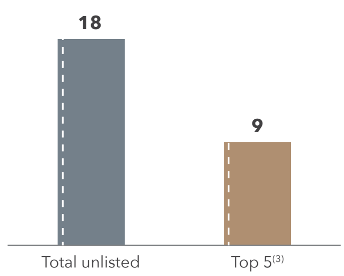


that achieved further growth in their operating and financial performance

LTM attributable revenue growth[1] of unlisted portfolio[2] – %



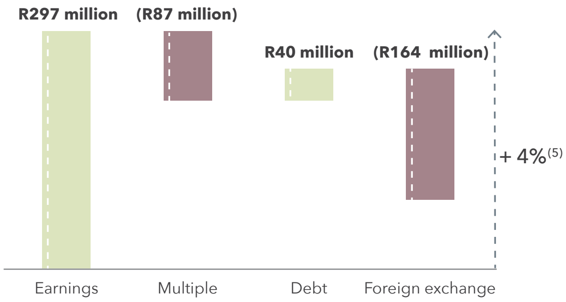
LTM attributable EBITDA growth[1] of unlisted portfolio[2] – %



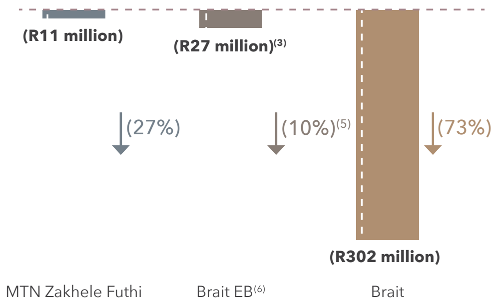
(1) *On an aggregate basis.*
(2) *Companies that were valued on an earnings/revenue basis.*
(3) *55% of total assets.*

that has driven up unlisted valuations, but with significant devaluations from the public markets

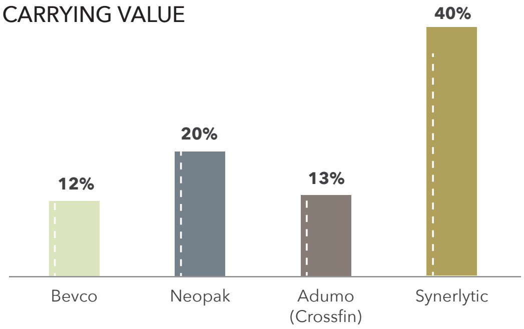
UNLISTED PORTFOLIO VALUATION MOVEMENTS



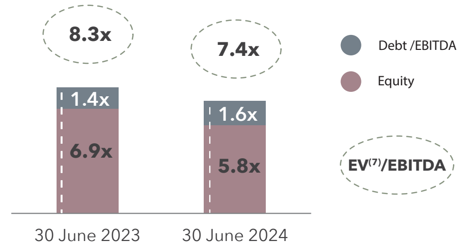
LISTED PORTFOLIO VALUATION MOVEMENTS



EXIT PROCEEDS UPLIFT OVER PRE-REALISATION CARRYING VALUE

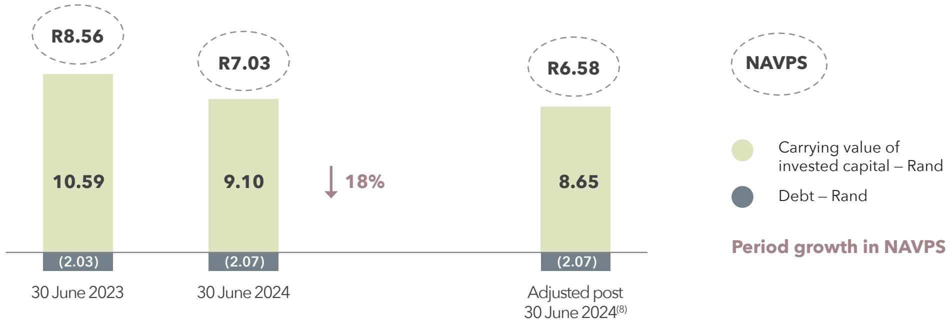


UNLISTED PORTFOLIO



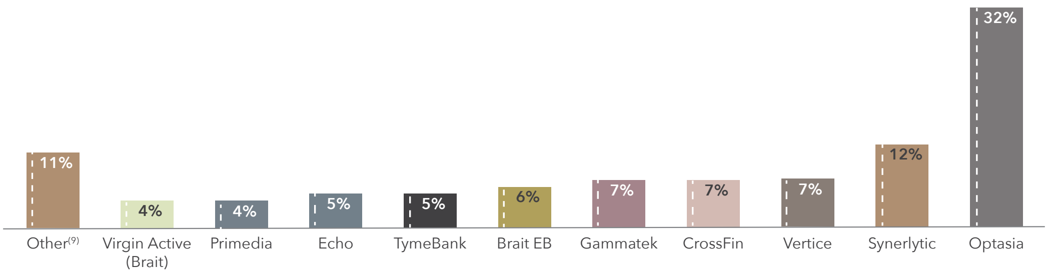
that resulted in a NAVPS decrease

NAVPS



TOTAL ASSETS CONTRIBUTION – R2.3 BILLION

TOP 10 = 89%



(5) *Based on realised and unrealised returns.*
(6) *Brait exchangeable bonds, including coupon receipts.*
(7) *Enterprise value.*
(8) *Adjusted for Brait unbundling.*
(9) *Including 11 Portfolio Companies and current assets.*

LEADERSHIP REPORTS

CHAIRPERSON'S REPORT

"We see encouraging signs in value creation activities within our Funds and believe these efforts will generate positive outcomes in the future."

Yvonne Stillhart
Chairperson

I am pleased to present this year's Chairperson's Report, marking a period of considerable change, growth, and strategic reflection for our Company. Despite operating in a subdued environment, we have achieved notable operational improvements in our investments, which have laid a strong foundation for future value creation. These achievements, alongside the broader changes we have undertaken, signal a new chapter for Ethos Capital.

Our outgoing CEO, Peter Hayward-Butt, has played a pivotal role in shaping Ethos Capital over the past eight years since listing. Under his leadership, the Company achieved significant milestones, including a successful IPO and the development of a mature, resilient value portfolio. Peter's dedication and commitment have been invaluable in navigating both prosperous and challenging periods, and his vision has brought us to where we stand today. On behalf of the Board and all stakeholders, I extend our deepest gratitude to Peter for his extraordinary contributions.

Strategy

Receipts of significant sale proceeds this financial year and post year-end, amounting to R457 million, have provided an opportunity for reflection on our future direction. The Board has weighed several strategic options, including the challenges of being a listed investment company and the opportunities presented by our mature, cash-generative portfolio.

In response to shareholders' feedback, the Board thoroughly explored strategic options to expedite the return of capital. Investors expressed a preference for exit proceeds from asset sales to be distributed to them, rather than being reinvested. It also became clear that investor preference is an orderly wind-down of the portfolio rather than taking the Company private or pursuing expansion routes.

As a result, we are focusing on a structured and effective wind-down of the portfolio of Ethos Capital. Given potential regulatory constraints on distributing proceeds solely as dividends, we are evaluating alternatives to ensure an efficient, fair distribution of realisation proceeds to shareholders, while continuing to engage with shareholders to address the challenges effectively. It is essential to acknowledge that this process comes with challenges, particularly given the complexities of winding down a private equity portfolio within a listed company framework.

In navigating this transition, I am delighted to welcome our new CEO, Anthonie de Beer. Anthonie brings a wealth of experience in value creation, particularly under challenging circumstances. His expertise aligns well with our current strategic direction, and he is well-prepared to lead Ethos Capital through this next phase. We are excited to work alongside him and have full confidence in his ability to steer us effectively through this period of strategic adjustment and beyond.

Considering the objective to expedite the return of capital to shareholders, the Board made the decision to unbundle the Brait ordinary shares held by Ethos Capital. This has not only resulted in a significant distribution to shareholders but will reduce the impact of share price volatility and remove the double discount on the Brait ordinary shares, which have negatively affected our NAVPS over the past few years.

Outlook

While the Board is committed to executing the distribution of the exit proceeds as guided by our shareholders, we will continue to engage our shareholders on strategic options around any exit proceeds and will remain agile should market conditions or shareholder preferences change.

Despite the current challenges and uncertainties in the market, the Board and our management team remain cautiously optimistic about the portfolio and the opportunities that lie ahead. We see encouraging signs in value creation activities within the Funds and believe these efforts will generate positive outcomes in the future.

Annual General Meeting

Looking ahead, the Annual General Meeting of Ethos Capital shareholders will be held via a remote interactive electronic platform on 20 November 2024. I encourage all shareholders to participate and engage in the discussion as we navigate these critical times together.

Appreciation

In closing, I wish to express my sincere appreciation to all our stakeholders and business partners for their unwavering support, particularly during these uncertain times. I extend a special thanks to TRG SA management and colleagues for their hard work and dedication over the past financial year, and to our shareholders for their continued confidence in Ethos Capital. I am also grateful to my fellow Board members for their insightful contributions and guidance.

Yvonne Stillhart
Chairperson

CHIEF EXECUTIVE OFFICER'S REVIEW

"The Ethos Capital strategy is focused on maximising value from the portfolio, through the orderly realisation of Portfolio Companies and optimally returning value to shareholders"

Anthonie de Beer
Chief Executive Officer

Review of the year

The global economy faced significant challenges in the past year, including persistent inflation, high interest rates, and geopolitical tensions in regions such as Ukraine and Gaza/Israel. Domestically, South Africa's economy was marked by slow GDP growth, ongoing power outages, and political uncertainty leading up to the national elections. However, the suspension of loadshedding in March 2024 and the establishment of a Government of National Unity after the May elections have sparked renewed optimism for economic reform and growth. Early signs indicate improving business, consumer, and investor confidence.

Company strategy

Throughout the past 12 months, the Board has engaged with major shareholders to align on Ethos Capital's strategy, focusing on value creation and the options for returning capital to shareholders. Most of the Company's investments are held indirectly through Limited Partner stakes in TRG SA Funds and these exit timelines are largely Fund-determined.

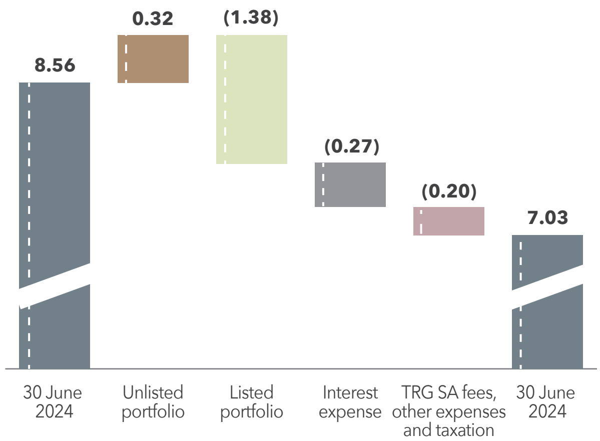
Key strategic conclusions from the engagements include:

- continuing to drive NAV growth by supporting the growth and value creation plans of underlying Funds and Co-Investments;
- no new Fund commitments or Co-Investments to be made;
- pursuing realisations in an orderly manner; and
- reducing leverage and returning capital to shareholders in an optimal way.

NAV, NAVPS and Share Price Performance

NAVPS

Ethos Capital's NAVPS decreased from R8.56 in June 2023 to R7.03 as of 30 June 2024, largely as a result of the devaluation of the listed portfolio and the Brait ordinary shares in particular.



Despite the difficult operating conditions, the unlisted portfolio achieved a gross return of 4% during the year with reported last-12-months ("LTM") sales and EBITDA of the unlisted Portfolio Companies increasing by 12% and 18% respectively. Strong operating performances from Gammatek, Twinsaver, Primedia, E4, and TymeBank, as well as increased revaluations of Synerlytic and Crossfin based on sale transaction values that are expected to complete post 30 June 2024, were the key positive contributors. Optasia continued to perform strongly with higher operating profitability but the valuation was adversely affected by currency devaluations in key territories, especially in Nigeria.

The listed portfolio decreased by 52%, primarily due to significant reductions in the ordinary share prices of Brait (73%) and MTN Zakhele Futhi (27%). The Brait ordinary shares were unbundled to Ethos Capital shareholders post year end.

CAGR[1] returns

	Fund and Co-Investments %	Brait (at share price) %
1-yr	3.6	(54.4)
3-yr	13.4	(21.8)
5-yr/Since inception	7.2	(31.0)[2]

(1) *Compound annual growth rate*

(2) *Since inception at February 2020*

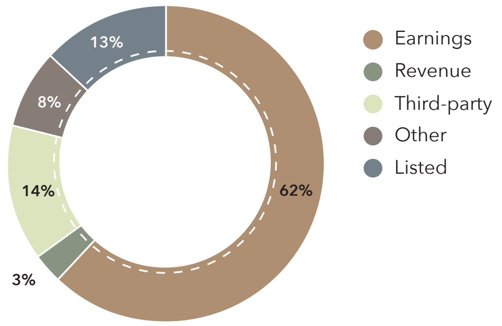
Valuations

The majority of the unlisted portfolio is valued on an earnings or revenue basis. As at 30 June 2024, the implied EV/maintainable EBITDA multiple of the unlisted portfolio that is valued on an earnings-based methodology, was 7.4x (30 June 2023: 8.2x). Excluding Optasia, the EV/maintainable EBITDA multiple of the earnings-based unlisted portfolio was 5.8x.

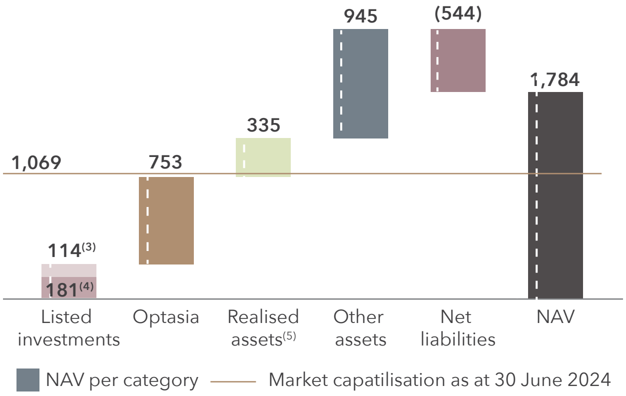
TRG SA values its Portfolio Companies based on prevailing market valuations of selected peer group companies and the approach remained consistent with the implied discount to the peer group multiples at 40% (30 June 2023: 42%). Where a sale of a Portfolio Company has been agreed with a counterparty, investments are valued at the agreed third-party valuation, taking into account the risk and timing associated with realisation proceeds. In almost all cases, Ethos Capital has realised valuations at higher than the prevailing NAV of the assets sold and this was the case for the exits achieved in the past 12 months including Bevco, Neopak, Adumo and Synerlytic.

Listed investments are valued at their 30 June 2024 share prices.

VALUATION METHODOLOGIES



NAV – R'million



(3) *Brait ordinary shares; unbundled to shareholders post 30 June 2024*

(4) *25% par value repaid post 30 June 2024, with R42.7million proceeds received by Ethos Capital*

(5) *Sale transactions agreed pre 30 June 2024 but expected to conclude post year-end*

Share price performance

At 30 June 2024, the Ethos Capital discount to its NAVPS was 40% and post the unbundling of the Brait ordinary shares, the share price increased and was most recently (26 September 2024) trading at a c.30% discount. The Board will continue to focus on ways to narrow the discount through underlying NAV growth, selling assets at/above their prevailing NAV and returning capital to investors in the most optimal way.

Realisation activity

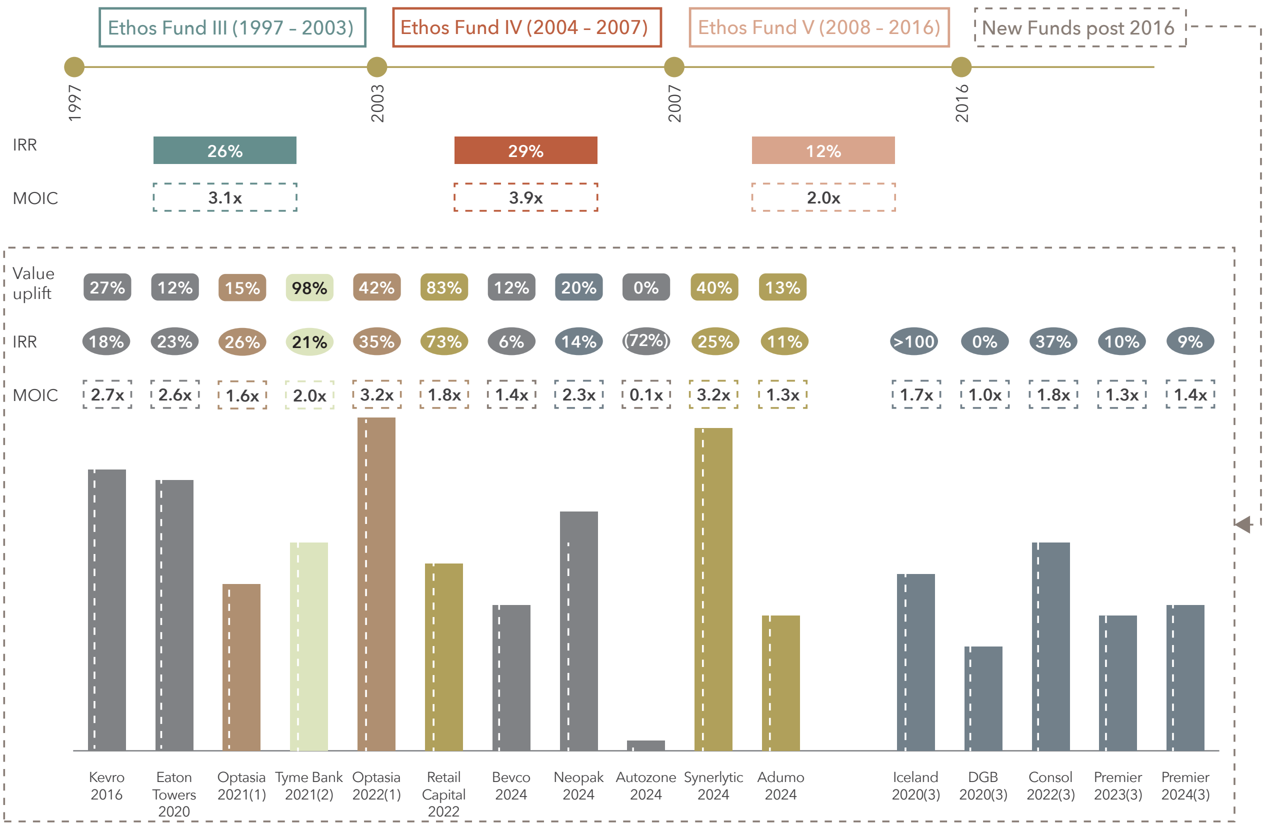
The 2024 financial year saw good progress with two full exits (Neopak and The Beverage Company) and a partial realisation of The Particle Group within Synerlytic. This resulted in R73.9 million of proceeds returned to Ethos Capital from underlying Funds during the year. In addition, dividends and interest payments received, largely from Optasia and Gammatek, resulted in a total return of proceeds of R134.4 million over the year.

Sales processes for the WearCheck business within Synerlytic and the Adumo business within Crossfin were signed pre 30 June 2024; WearCheck has closed in September 2024 and Adumo is expected to close in October 2024. Based on the agreed terms, this will result in an additional R335.0 million proceeds being returned to Ethos Capital which will be utilised to reduce the net debt in the Company.

All of the asset realisations were achieved at premiums to the pre-exit NAV of the assets.

Since listing in 2016, the TRG SA Funds have achieved an average realised return of 17% per annum with a multiple of invested capital ("MOIC") of 1.7x. Ethos Capital's share of these realisation proceeds, including some further partial proceeds and the expected proceeds post 30 June 2024, was over R1.0 billion.

Realised returns from exited Ethos Funds (in ZAR)



(1) *Partial realisation for Ethos (2022) and for Ethos Capital only (2021).*
(2) *Capital raising event.*
(3) *Brait assets*

Post year-end transactions

Following Brait's capital restructuring announcement in June 2024, Ethos Capital completed the unbundling of its holdings in the Brait ordinary shares, thereby returning the 30 June 2024 value of R113.6 million to shareholders on 22 July 2024. This strategic decision reflects our commitment to unlocking and maximising shareholder value. The unbundling resulted in an implied reduction of the 30 June 2024 Ethos Capital NAVPS of R0.45.

As part of the Brait restructuring process, Brait redeemed 25% of the Brait exchangeable bonds with the proceeds flowing to the bondholders in August 2024. Ethos Capital received R42.7 million from TRG Africa Direct Investment ("TRG DI") and the R30.6 million of proceeds from TRG Africa Fund VII ("TRG AF VII") were utilised to reduce the debt facility within TRG AF VII.

Based on the transactions above and including WearCheck realisation noted, Ethos Capital has received total proceeds of R323.0 million since year end, with a further R54.7 million expected in October 2024 from the Adumo realisation.

Return of shareholders' capital

The Board remains committed to strategies to unlock value for shareholders. It will use a combination of available strategies and balance its approach catering to various investor preferences while maintaining financial flexibility. Given potentially lumpy and significant cash realisations over the coming years, the Board will seek a mandate from shareholders to continue with a share buyback program to possibly improve NAVPS. The Board will also assess the alternatives for returning capital to shareholders through buybacks, distributions and/or other mechanisms to optimise returns.

Debt

Ethos Capital concluded a R700 million debt facility with Rand Merchant Bank ("RMB") in February 2020, of which R450 million is currently committed. At the time, the Board believed that it was prudent to utilise limited leverage to supplement its equity invested into various Funds and Co-Investments.

The RMB facility has been extended to February 2028, and a more favourable asset cover covenant of 3.0x was agreed. At 30 June 2024, the Group had consolidated debt of R522 million that will reduce significantly post year-end (expected to decrease to less than R150 million) as a result of the proceeds received to date and that are expected in October 2024. This will reduce the future interest expenses of the Group and facilitate the return of capital to shareholders from future realisations.

Conclusion

The renewed optimism following the recent elections, coupled with our strategic focus on value creation, positions Ethos Capital strongly for future growth. A number of the Ethos Capital assets are currently in sales processes and the increased investor interest in the portfolio (including from foreign buyers) should support the realisation programs across the various Funds.

The Board remains committed to exploring avenues to close the share price discount to the NAVPS and deliver sustainable returns to our shareholders.

Thank you for your continued support and confidence in Ethos Capital. We look forward to another year of progress and growth.

Anthonie de Beer
Chief Executive Officer

INVESTMENTS, PORTFOLIO COMPANIES AND INVESTMENT ADVISOR

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, divided by the number of its shares outstanding (net of treasury and encumbered shares).

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

	NAV R'000	NAVPS Rand
At 30 June 2023	2,172,119	8.56
Net return on cash and cash equivalents	856	–
Investment portfolio net loss	(271,284)	(1.06)
Net return on investment portfolio – Unlisted	79,327	0.31
– Listed	(339,456)	(1.34)
– Expenses	(11,155)	(0.03)
Operating expenses	(14,274)	(0.06)
Finance costs	(68,835)	(0.27)
Investment services fees paid to TRG SA	(32,648)	(0.13)
Taxation	(1,557)	(0.01)
At 30 June 2024	1,784,377	7.03
Attributable number of shares in issue – '000	253,885	

The investment portfolio achieved a net loss of R271.3 million over the year resulting from: unrealised losses of R339.5 million (net of coupon receipts on the Brait exchangeable bonds) due to the lower share prices of the listed assets; realised and unrealised gains on the unlisted portfolio of R79.3 million (net of withholding taxes on income distributions received of R6.1 million and some Fund related expenses of R11.2 million, largely relating to finance charges on the TRG AF VII facility).

Operating expenses totalled R14.3 million, about 0.7% of the Group's average NAV over the year. These expenses relate to Directors' remuneration (R4.8 million), legal and professional fees (R4.5 million) auditors' fees, listing-related expenses, insurance costs, and other general costs.

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 throughout the year.

Fees paid to TRG SA which acts as the Company's Investment Advisor and Investment Manager of the Funds and Co-Investments, totalled R32.6 million, equating to an implied fee of 1.3% (including value added tax levied) of the total average invested capital during the year. The investment services fee is based on 1.5% of the average of the opening and closing NAV of investments over the year, calculated on a quarterly basis. The Company's underlying investments in the Brait ordinary shares, Brait exchangeable bonds and the portion of the Optasia investment held via TRG DI, are not subject to any investment services fee.

Taxation of R1.6 million related to a provision for the Mauritian income tax expense for the year.

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

		Changes FY 2024		
	At 30 June 2023 R'000	Revaluation R'000	(Realised)/ invested R'000	At 30 June 2024 R'000
Investment portfolio	2,688	(254)	(125)	2,309
Brait ordinary shares	416	(302)	–	114
Brait exchangeable bonds	276	(26)	(15)	235
TRG AF VII debt	(84)	–	–	(84)
Optasia	831	(60)	(18)	753
Synerlytic	203	111	(43)	271
Vertice	168	(2)	7	173
Crossfin	166	14	(10)	170
Gammatek	137	38	(18)	157
TymeBank	92	18	–	110
Echo	160	(51)	1	110
Other investments	323	6	(29)	300
Cash and cash equivalents	11	(93)	97	15
Accounts receivable	9	(5)		4
Total assets	2,708	(352)	(28)	2,328
Borrowings (Ethos Capital)	(340)	–	28	(312)
Borrowings (Black Hawk)	(186)	(24)	–	(210)
Non-current liabilities	(526)	(24)	28	(522)
Other liabilities	(10)	(12)	–	(22)
Current liabilities	(10)	(12)	–	(22)
Total liabilities	(536)	(36)	28	(544)
NAV to ordinary shareholders	2,172	(388)		1,784
Number of attributable shares ('million)	253.9	253.9		253.9
NAVPS (Rand)	8.56	(1.53)		7.03

The Ethos Capital Group's NAVPS, decreased by 17.9% over the prior year to R7.03 (30 June 2023: R8.56). The decrease was largely attributable to the listed portfolio that was down 52% (net of coupon receipts) over the year, driven by a devaluation of the prices of the Brait ordinary shares (73%), Brait exchangeable bonds (15%) and MTN Zakhele Futhi shares (27%). The Brait ordinary share price decreased from R3.22 (30 June 2023) to R0.88 at 30 June 2024. Brait announced a recapitalisation, including a R1.5 billion rights offer at R0.59 per ordinary share, on 3 June 2024.

The unlisted portfolio achieved a gross return of 4%, reflecting a mixed performance from the portfolio. There were notable increases in the values of Synerlytic and Crossfin following successful sale processes that were concluded or signed and strong performances by both Gammatek, Twinsaver and TymeBank. The positive performance was offset by a decrease in the valuation of Optasia (foreign currency impact), and Echo and Kevro (operational performance). The Optasia maintainable earnings were adjusted down to take into account the material devaluation of some of the local currencies which the company trades in (especially the Nigerian Naira which depreciated from NGN760:$1 at 30 June 2023 to NGN1,535: $1 at 30 June 2024). Together with the strengthening of the ZAR against the US$ (c.R18.84:$1 at 30 June 2023 to c.R18.20:$1 at 30 June 2024) this negatively effected the Optasia valuation. Excluding the impact of the foreign exchange devaluations, the unlisted portfolio achieved a gross return of 12.3%.

Post period-end transactions

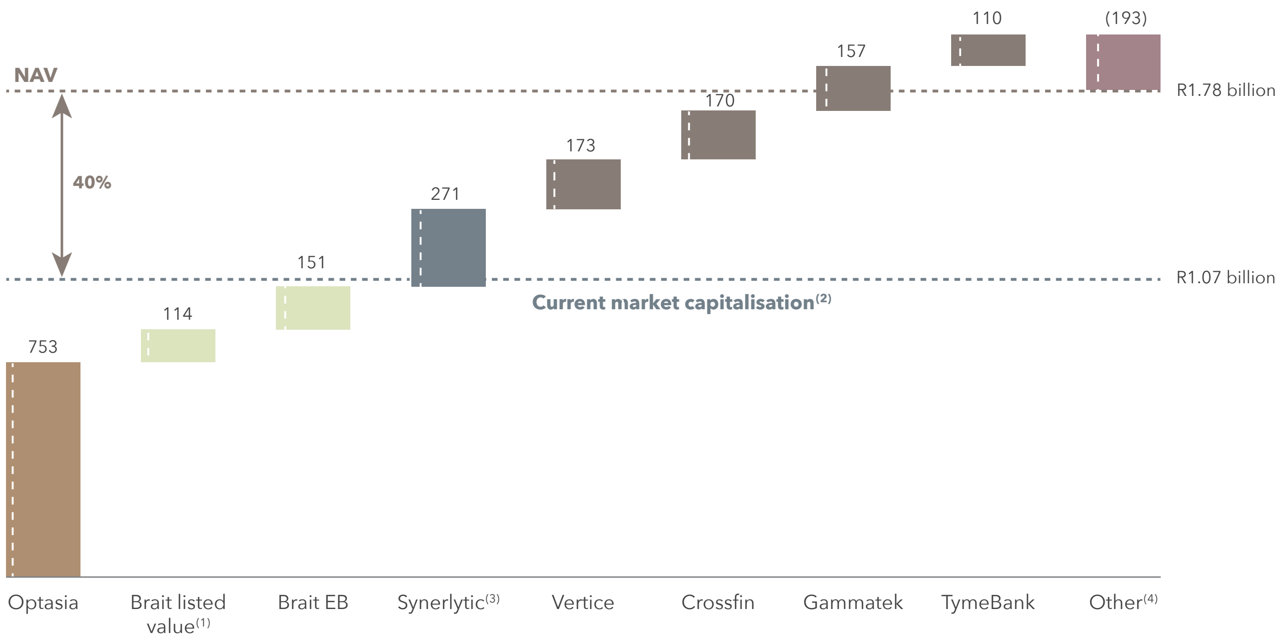
On 24 June 2024, in line with its value unlock and maximisation strategy, the Company announced the unbundling of the Brait ordinary shares that were held indirectly by Ethos Capital through TRG AF VII and TRG DI, to Ethos Capital shareholders.

The Brait ordinary shares were distributed on 22 July 2024. The total value of the unbundled Brait ordinary shares at 30 June 2024 was R113.6 million, equating to a NAVPS per Ethos Capital share of R0.45.

Share price analysis

The Ethos Capital share price of R4.21 as at 30 June 2024 represented a 40% discount to the Group's 30 June 2024 NAVPS.

ATTRIBUTABLE NAV AND MARKET CAPITALISATION – R'million



(1) *Brait listed share price as at 30 June 2024 of R0.88.*

(2) *Ethos Capital share price as at 30 June 2024 of R4.21.*

(3) *Fully realised post 30 June 2024.*

(4) *Including 11 other investments and liabilities.*

Private equity activity cycle

The Group follows the life cycle of a private equity fund that typically has a ten-year life. The Board is responsible for making commitments either to existing or new TRG SA Funds or to Co-Investments (Direct Investments) alongside the Funds. Once these commitments are made, TRG SA (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, which in turn, in line with the revised strategy referred to below, aims to distribute this to investors in the most optimal manner.

As announced in November 2023, the Board had conducted a review of the Ethos Capital strategy that included confidential engagement with some of the shareholders to obtain views on strategic options. This is done periodically to ensure alignment between the Board and shareholders on the strategic direction for the Company. The conclusion from these engagements is that Ethos Capital, as an investor in underlying Funds, will:

- continue to support value creation plans of the underlying Portfolio Companies to maximise growth in NAV and NAVPS;
- not make any new Fund commitments or Co-Investments;
- optimise realisations within and distributions from the TRG SA Funds in an orderly manner; and
- return capital to shareholders in an optimal way once Ethos Capital receives these distributions.

The realisation program will result in proceeds being received as assets are sold by the underlying TRG SA Funds. The board will continue to assess the optimal way to return capital to shareholders which will include dividends, share buybacks and other mechanisms of capital return. Returning capital to shareholders will occur once realisation proceeds have been used to repay the existing Ethos Capital debt down to a sustainable level and taking into account operating funding needs of the business.

Commitments to TRG SA Funds

The total commitments made to TRG SA Funds to-date were unchanged at R3.4 billion at 30 June 2024, of which R214 million was undrawn as detailed below.

Both EMMF I and TRG AAiF I made their last investment during the prior financial year and are now in their realisation period. The Funds have reserved undrawn commitments totalling R84 million for quarterly management fees payable (until the exit of the last investment) and for contingency reserves for existing investments, whether for add-ons or unforeseen funding requirements. The balance of R130 million is therefore unlikely to be drawn over the remainder of the Funds' realisation period.

Commitments into Funds

Name	Vintage	Participation in TRG SA Funds	Initial commitment R'000	Gross undrawn R'000
EMMF I	2016	38 – 40	950,000	177,490
TRG AAiF I	2018	20	150,000	27,590
EF VI	2011	1 – 2	181,953	9,033
				214,113

Investments

Investment portfolio

Ethos Capital, through TRG SA, invested in alternative asset funds: large cap private equity; mid market private equity; mezzanine instruments; and Ai related investments.

At 30 June 2024, the investment portfolio of the Company consisted of the following investments representing 99.2% of the total assets:

Investment name	Participation in TRG SA Funds/ Co-Investments %	Valuation R'000	Share of total assets %
Primary/Secondary Investments			
EMMF I	39%	765,767	32.9
TRG AF VII	61%	734,012	31.5
TRG AAiF I	20%	247,585	10.6
EHP	13%	126,160	5.4
EF VI	<2%	33,541	1.5
TRG MP3	n/a	18,649	0.8
Co-Investments			
Brait EB[(1)]	6%	136,527	5.9
Primedia[(2)]	4%	86,887	3.7
Optasia[(1)]	1%	84,526	3.6
Brait[(1)]	6%	66,079	2.9
Kevro[(3)]	5%	9,486	0.4
Total investments		2,309,219	99.2

(1) *Investment in TRG DI, that co-invested in Brait and Optasia*
(2) *Investment in Primedia Group (Proprietary) Ltd*
(3) *Investment in Kevro Holdings (Proprietary) Limited, held through Ethos Mid-Market Direct Investments ("EMM I Direct")*

TRG Africa Fund VII

TRG Africa Fund VII ("TRG AF VII", previously Ethos Fund VII), is the successor large equity Fund ("LEF") for EF VI.

The Fund has completed three investments, of which Ethos Capital invested c.R851 million:

- Optasia, 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 the exchangeable bonds that TRG AF VII invested in.

In addition, Ethos Capital has made Co-Investments alongside TRG AF VII in Optasia and Brait through a separate Fund, TRG Africa Direct Investment Partnership ("TRG DI"). TRG AF VII is now fully invested and is focused on realising value from its remaining Portfolio Companies. Ethos Capital has no further outstanding commitment to TRG AF VII and TRG DI.

Ethos Mid Market Fund I

Ethos Capital has committed R950 million to Ethos Mid Market Fund I ("EMMF I"). EMMF I is a majority black-owned and controlled entity and has total commitments of R2.5 billion and it has made investments into ten Portfolio Companies.

The Fund's investment period is now complete and Ethos Capital has undrawn commitments of c.R177 million (c.R108 million after the GP's provision) to EMMF I to be drawn for future investments, fees and expenses.

TRG African Artificial Intelligence Fund I

TRG Africa Artificial Intelligence Fund I ("TRG AAiF I", previously Ethos Ai Fund I) was established as a Co-Investment vehicle to invest alongside other TRG SA Funds in businesses that will benefit from the adoption and implementation of algorithmic decision making. The Fund has four investments in Optasia, Vertice, TymeBank and Crossfin.

Ethos Capital has committed R150 million and has outstanding commitments to the Fund of c.R28 million (c.R14 million after the GP's provision) at 30 June 2024. The Fund is also now closed for new investments.

Ethos Healthcare Platform

The Ethos Healthcare Platform ("EHP") invested in the buy-and-build strategy for Vertice, a medical technology ("MedTech") business that it acquired in May 2018 alongside EF VI and TRG AAiF I. Since the initial acquisition, a total of eight complementary medical software businesses were acquired. Ethos Capital has exposure of R123 million in the platform.

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. In addition, Ethos Capital participated in two Co-Investment opportunities alongside EF VI in Primedia and Vertice.

At 30 June 2023, Ethos Capital had undrawn commitments of c.R9 million (c.R8 million after the provisioning by the Fund's General Partner for future expenses and quarterly fees that will be drawn over a number of years ("GP provision")) to EF VI that are available to be drawn for any future investments, fees and expenses. Following the realisations of Neopak and The Beverage Company during the year, EF VI has seven remaining investments.

TRG Mezzanine Partners Fund 3

TRG Mezzanine Partners Fund 3 ("TRG MP3", previously Ethos Mezzanine Partners 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 R21.8 million exposure to EMP3 through its participation in Chibuku and has no outstanding commitments to the Fund.

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. During the year to 30 June 2024, further investments were made by the TRG SA Funds into E4, Echo and Vertice. Ethos Capital's share of investments made totalled R9.5 million.

At 30 June 2024, Ethos Capital had 21 investments that were largely held through the Funds:

Name	Business description	Year*	% of total assets	Cumulative % of total assets
Optasia	FinTech service provider	2018	32.3	32.3
Synerlytic	Specialised analytical and testing services	2019	11.6	43.9
Vertice	MedTech	2018	7.4	51.3
CrossFin	FinTech group	2021	7.3	58.6
Gammatek	TMT accessory distribution	2018	6.7	65.3
Brait EB	Exchangeable bonds	2021	6.5	71.8
TymeBank	Banking	2019	4.8	76.6
Echo	Corporate ISP	2018	4.7	81.3
Primedia	Media	2017	4.0	85.3
Virgin Active (Brait)	Health club operator	2020	3.6	88.9
E4	Software as a Service	2023	2.8	91.7
Twinsaver	Manufacturing (FMCG)	2015	1.8	93.5
MTN Zakhele Futhi	Telecommunications	2017	1.3	94.8
Eazi Access	Industrial support services	2016	1.1	95.9
Premier (Brait)	FMCG manufacturer	2020	1.0	96.9
Chibuku	Brewing and distribution	2018	0.8	97.7
Kevro	Corporate clothing and gifting	2017	0.8	98.5
New Look (Brait)	Multi-channel fast-fashion brand	2020	0.3	98.8
Waco International	Industrial support services	2012	0.2	99.0
RTT	Logistics	2014	0.2	99.2
Autozone	Automotive parts retailer & wholesaler	2014	–	99.2
			99.2	

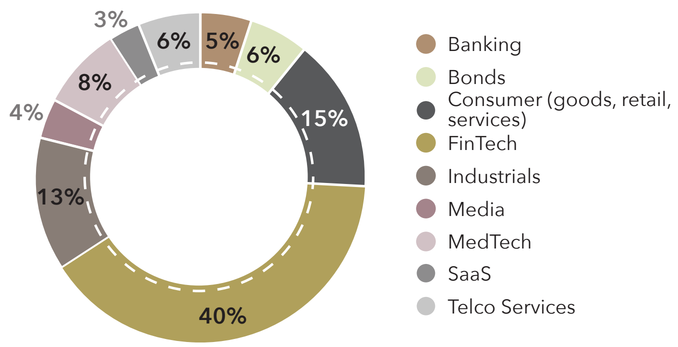
* *Initial acquisition date by the TRG SA Fund.*

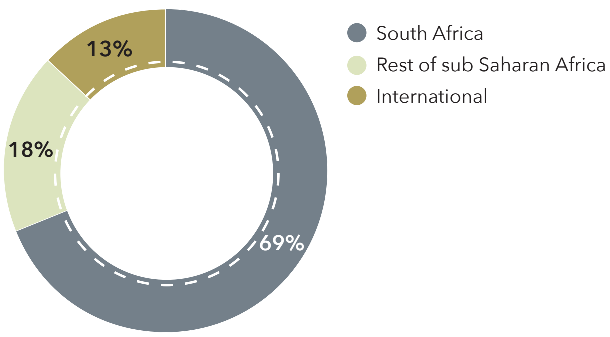
Asset growth

Portfolio Company performance

Ethos Capital's investment portfolio at 30 June 2024 has exposure to the Brait exchangeable bonds and 20 Portfolio Companies that in aggregate (excluding Brait and the MTN Group) have sales of c.R23.0 billion and EBITDA of c.R3.8 billion. The Portfolio Companies span a number of sectors and geographies, providing diversified portfolio exposure.

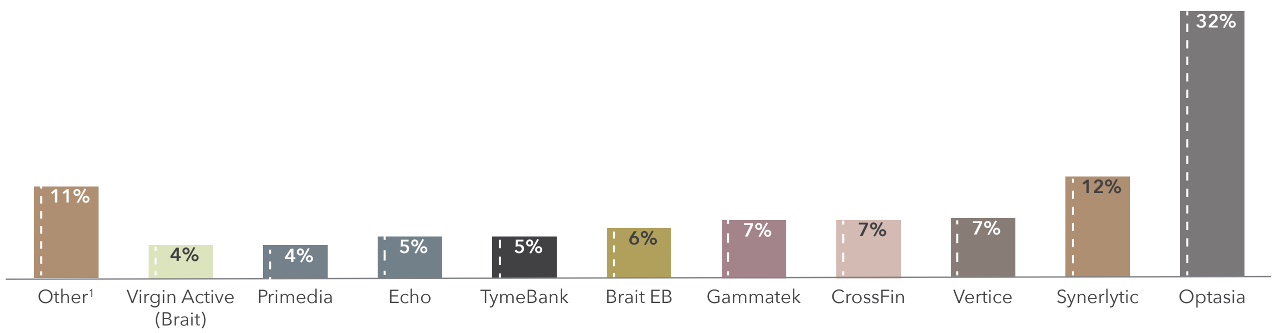
At 30 June 2024, the last 12 months ("LTM") attributable sales and EBITDA of the Portfolio Companies that are valued on an earnings/revenue-based valuation, increased on an aggregate basis by 12% and 18% respectively. The top five unlisted investments that are valued on an earnings/revenue basis, consisting of Optasia, Vertice, Gammatek, Primedia and Crossfin grew their attributable sales and EBITDA (on an aggregate basis) by 10% and 9% respectively.





At 30 June 2024, the contribution of each underlying Portfolio Company to the total assets of R2.3 billion, of which the top 10 investments make up just under 90% of the total assets, was as per the below. Despite the previous partial realisations of the Optasia investment, it remains a significant asset in the portfolio at 32% of the total asset value. The aggregate Brait portfolio, including the exchangeable bonds, represents 11% of the total portfolio.

TOTAL ASSETS CONTRIBUTION



% of total assets

(1) *Including 11 Portfolio Companies and current assets.*

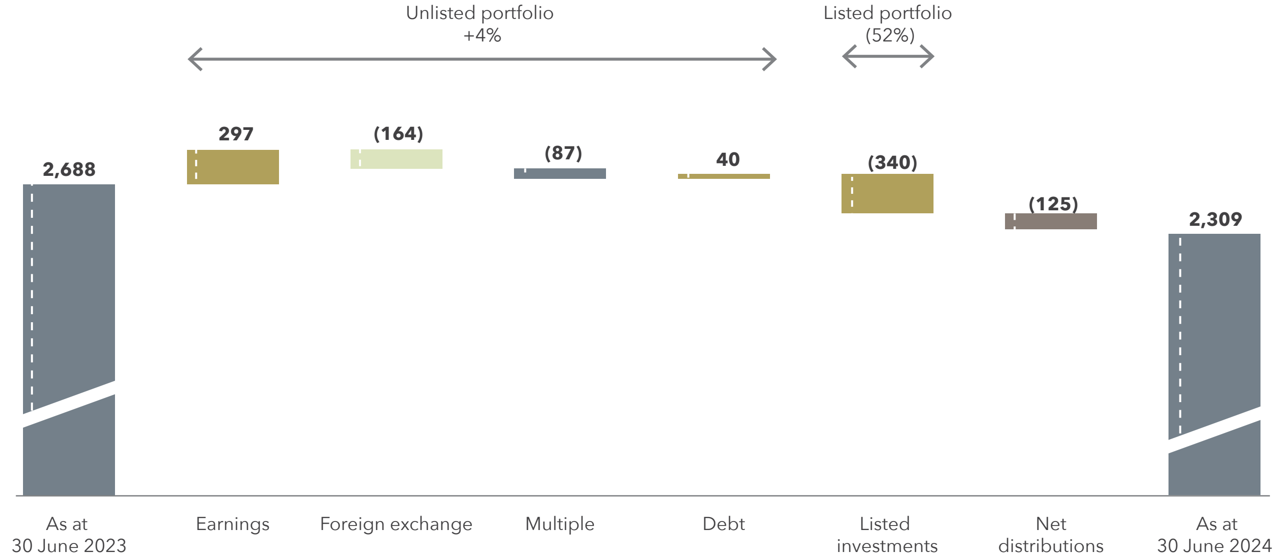
The unlisted investment portfolio achieved a NAV increase (pre-expenses) of R85.8 million, equating to a return for the year of 4.2%. Pre the impact of the foreign exchange devaluation as mentionded below, the unlisted portfolio achieved a 12.3% return.

This positive return largely resulted from disposals that were concluded at values greater than NAV (Neopak, The Beverage Company and The Particle Group in Synerlytic) and increases in the NAV of some investments where sale agreements were signed pre 30 June 2024, subject to certain conditions (Adumo in Crossfin and Wearcheck in Synerlytic) that had not been concluded by 30 June 2024. Pleasingly, all the recently exited assets were concluded at premiums to their pre-sale carrying values. In addition, the strong performance in Gammatek and Twinsaver continued in the second half of the year and has supported positive NAV adjustments.

The valuation of Optasia was negatively impacted by a devaluation of the local foreign exchange rates in key geographies, and the strengthening of the ZAR against the US$ that impacted the ZAR valuation. The Group's NAV was also impacted by decreases in the valuations of Echo and Kevro due to operational performance.

Net of a receipt of coupon proceeds on the Brait exchangeable bonds, the listed portfolio achieved a negative return of R339.5 million that resulted from decreases in the prices of the Brait exchangeable bonds, Brait ordinary shares and MTN Zakhele Futhi shares of 15%, 73% and 27% respectively over the year.

MOVEMENTS OF THE INVESTMENT PORTFOLIO OVER THE YEAR – R'million

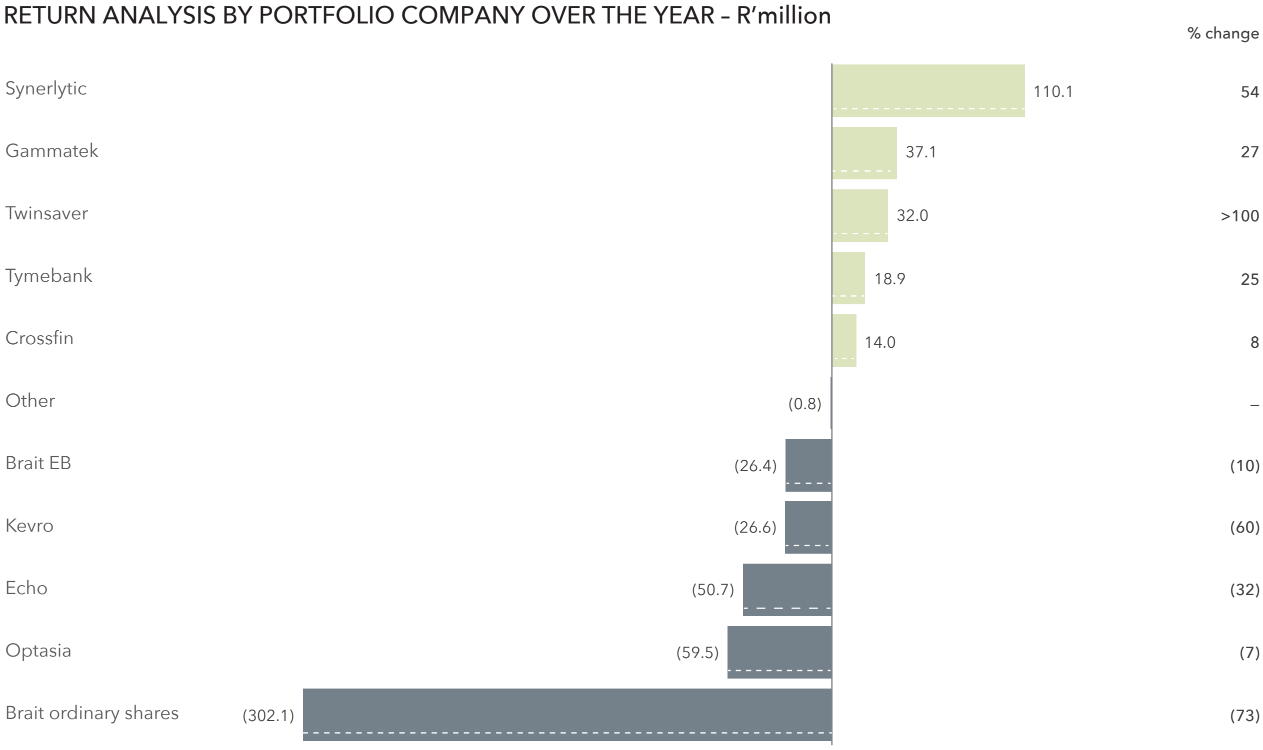


The underlying drivers of the positive return from the unlisted portfolio (taking into account, where relevant, investment transactions and realisations, and foreign exchange movements during the year) are as follows:

- an increase in attributable maintainable EBITDA resulting in a value increase of R296.6 million;
- a 3% strengthening of the ZAR against the US$ and a devaluation of local foreign exchange rates in Optasia resulted in an unrealised revaluation loss of R164.4 million;
- a decrease of R87.1 million driven by the implied valuation multiple decrease to 7.4x; and
- a decrease in sustainable net debt, after adjusting for investment transactions, accounting for R39.9 million valuation decrease.

The attribution of the gross portfolio return, including proceeds received, by Portfolio Company is detailed below:

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



The Synerlytic group operates in subsets of the testing, inspection and certification across South Africa, the rest of Africa and Canada in particular. It consists of two operating entities: The Particle Group ("TPG"), a manufacturer of certified reference materials for the metals and mining industries; and WearCheck, a leading condition monitoring specialist that focuses on fluid analysis and on-site reliability solutions. During the year, TPG was sold to Admaius Capital Partners, and an agreement was reached with Bidvest to acquire WearCheck. These transactions resulted in a R110.1 million gain for Ethos Capital over the year.

Gammatek has been impacted by a difficult operating environment with consumers under pressure due to the high interest rates and inflation that has weakened spending power and extended the replacement time for mobile phones and products. Furthermore, input cost inflation and currency depreciation have also added to the pressures. Despite these challenges, the business has grown its revenue and earnings that can partly be attributed to growth strategies that focused on expanding its presence in the retail consumer segment and driving revenue in other African countries, like Botswana and Mauritius. The investment achieved a 27% growth over the year, including the repayment of some interest on shareholder loans.

Record high levels of pricing on pulp input costs have significantly impacted the consumer tissue industry that Twinsaver operates in. Management undertook significant steps to reshape the business by driving improved cost management, efficiencies across its value chain and transformations to maximise production from existing facilities and optimise operational capacity to reduce input costs. These resulted in a strong recovery of the business with a R32.0 million valuation gain attributed to Ethos Capital.

The TymeBank business is growing strongly and is trading well operationally. The valuation uplift reflects the increased funding round that was concluded in June 2024.

Crossfin largely benefited from the agreement reached with Lesaka Technologies to acquire its Adumo division, resulting in an unrealised revaluation gain ahead of the completion that is expected to conclude in October 2024.

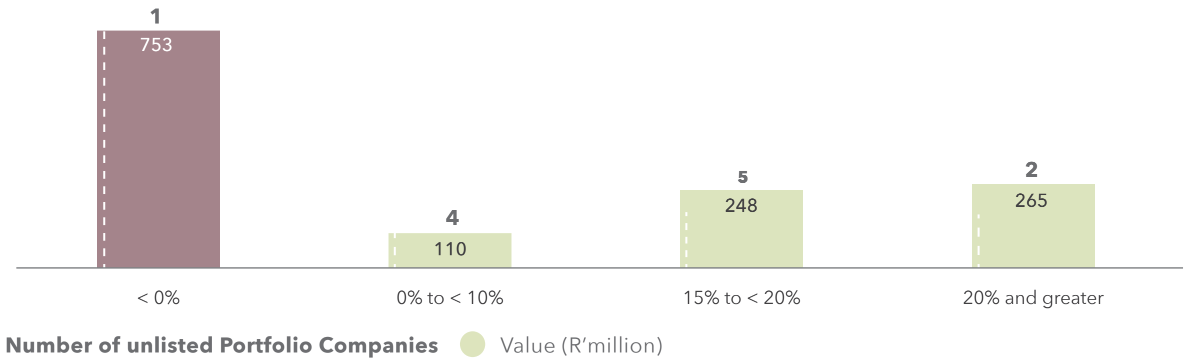
The management team at Kevro has resolved the internal operating issues and has achieved system stability. In addition, the new warehouse, enterprise resource planning and warehouse management systems are operating efficiently and the business has a competitive platform from which to grow. The business' recovery has continued with the stead improvements but profitability has been impacted by increased input costs and port disruptions.

Optasia achieved good growth in its deployments of airtime credit services ("ACS") in local currencies, but that was offset by the foreign exchange devaluation in key geographies (Nigeria, Pakistan and Zambia) in relation to its US$ reporting currency. Furthermore, ACS revenue was impacted by delays in new deployment due to a number of addressable factors. Advances on mobile finance services ("MFS") maintained good momentum with increased users, improved default rates and new deployments. The pipeline of opportunities for MFS remains strong and new deployments continue to be successfully launched. This business presents a substantial market opportunity and scaling of existing deployments. Overall, the foreign exchange devaluation of reportable EBITDA, that also resulted in a downward adjustment to maintainable EBITDA that is used in the valuation, and the strengthening of the ZAR against the US$ have resulted in a decline of Ethos Capital's valuation at 30 June 2024. Performance subsequent to 30 June 2024 has seen a positive step which bodes well for valuation accretion over the short to medium term.

The analysis below reflects the reposted revenue and EBITDA growth rates across the unlisted Portfolio Companies that are valued on an earnings/revenue basis:

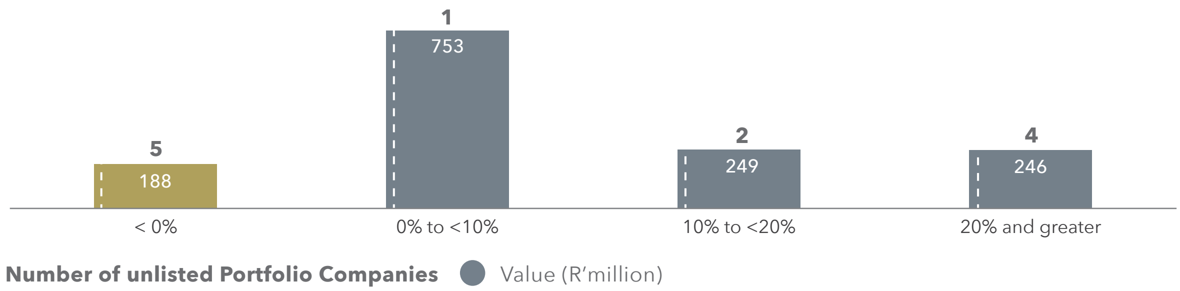
REVENUE GROWTH % RANGE

(+12% average)



EBITDA GROWTH % RANGE

(+18% average)



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; however, the guidelines also allow for some investments to be valued at the price-of-recent investment, where applicable.

In terms of this method, an appropriate valuation multiple is applied to an investment's maintainable earnings or revenue 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, or where relevant their separate business units, 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 or 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 or 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; and the valuation of the investments in Brait (ordinary shares and exchangeable bonds) and MTN Zakhele Futhi is based on their respective prices at 30 June 2024.

Finally, where a transaction has been signed or agreed to acquire a Portfolio Company or a business unit thereof, such valuation is based on the third-party price agreed between parties. At 30 June 2024, this was relevant for the valuation of Synerlytic, and the Adumo business unit in Crossfin.

Listed portfolio

The investment in Brait is based on the prevailing share price at 30 June 2024 of R0.88 (30 June 2023: R3.22). The Brait fully diluted NAVPS (assuming the Brait exchangeable bonds are converted to ordinary shares) is R5.70 (as at 31 March 2024; R5.84 as at 30 September 2023). The post restructuring indicative NAVPS for Brait is R2.64, implying a 67% discount.

Unlisted portfolio

Ethos Capital's attributable share of the maintainable EBITDA of the Portfolio Companies that were valued on an earnings basis as at 30 June 2024 was R245.5 million and its attributable share of the maintainable net debt of these companies was R383.6 million, equating to a net debt/EBITDA multiple of 1.6x (30 June 2023: 1.5x).

Based on the Company's attributable EBITDA and an implied EV/maintainable EBITDA multiple of 7.4x, the EV of the Company's participation in these underlying Portfolio Companies is c.R1.8 billion.

It was deemed more appropriate to apply a revenue-based valuation to two underlying business units/divisions. Based on the attributable revenue and an implied average EV/maintainable revenue multiple of 1.0x, the EV of the Company's participation in these is R86.2 million. Furthermore, third-party pricing was used to form the basis for the valuation of some other units/divisions that were in the process of being realised as well as the NAV of some other start-up units/divisions, resulting in a further EV participation for the Company of R398.9 million. The corresponding attributable share of the maintainable debt of the above units was R33.5 million.

The attributable net debt is subtracted to result in a net equity value of c.R1.9 billion, as set out below.

	30 June 2024 R'million	30 June 2023 R'million[1]
Attributable EBITDA	245.5	269.9
Implied valuation multiple	*7.41x*	*8.20x*
Attributable EV – Earnings	**1,819.5**	**2,217.0**
Attributable EV – Revenue	**86.2**	**77.0**
Attributable EV – Other	**398.9**	**62.3**
Total attributable EV	**2,304.6**	**2,356.3**
Less: Attributable debt – Earnings	*(383.6)*	*(443.7)*
Less: Attributable debt – Revenue and other	*(33.5)*	–
Attributable equity value	**1,887.5**	**1,912.6**
Add: Other equity investments (incl. Fund debt)	*421.7*	*775.5*
Total investments	**2,309.2**	**2,688.1**
Carrying value of invested capital per share (Rand)	**9.10**	**10.59**

[1] *The prior year's analysis has not been restated for changes in the underlying methodologies or realisations and therefore is not necessarily on a like-for-like basis to the analysis at 30 June 2024.*

The implied EV/maintainable EBITDA multiple of 7.4x represents a 40% (30 June 2023: 42%) discount to the average EV/maintainable EBITDA multiple for the comparable peer groups of 12.3x. This discount applied to the peer group multiples represents the relevant discounts applied for, inter alia, liquidity, jurisdictional discount, risks and growth outlook.

Based on the Company's share price of R4.21 as at 30 June 2024, the market implied EV/EBITDA was 5.2x.

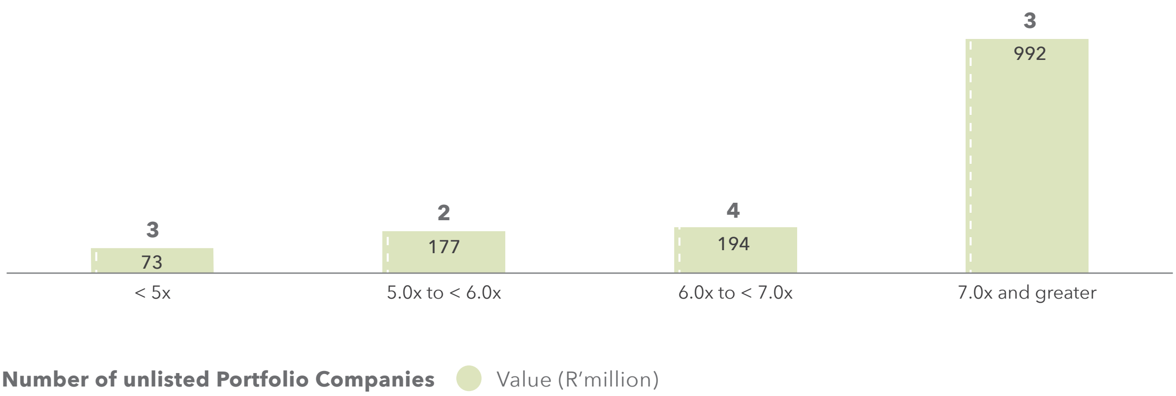
	Share price based 30 June 2024 R'million	NAVPS based 30 June 2024 R'million
Attributable EBITDA	245.5	245.5
Implied valuation multiple	*5.17x*	*7.41x*
Implied multiple discount	*30%*	
Attributable EV – Earnings	**1,268.4**	**1,819.5**
Attributable EV – Revenue	**59.5**	**86.2**
Attributable EV – Other	**275.3**	**398.9**
Total attributable EV	**1,603.2**	**2,304.6**
Less: Attributable debt – Earnings	*(383.6)*	*(383.6)*
Less: Attributable debt – Revenue and other	*(33.5)*	*(33.5)*
Attributable equity value	**1,186.1**	**1,887.5**
Add: Other equity investments[1]	*408.3*	*421.7*
Total implied/actual investments	**1,594.4**	**2,309.2**
Invested NAV per share (Rand)	**6.28**	**9.10**
Debt (Rand)	(2.07)	(2.07)
NAVPS (Rand)	**4.21**	**7.03**
Invested capital discount	*31%*	

[1] *No discount has been applied to the listed investments.*

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

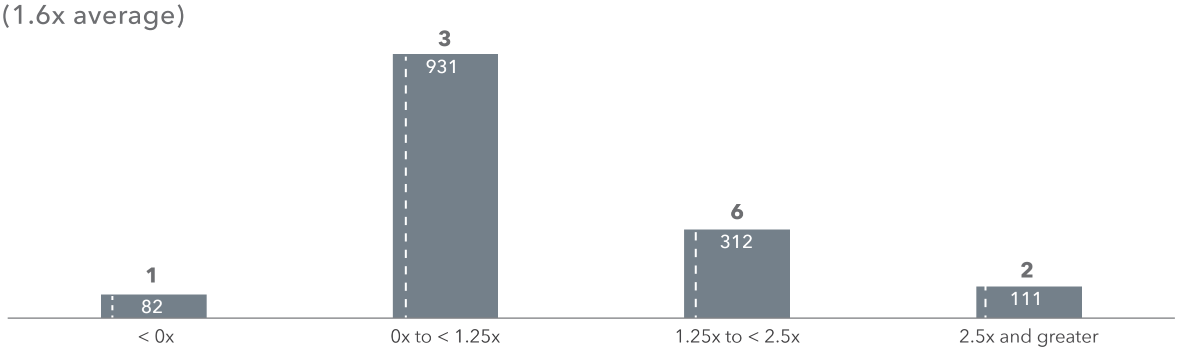
EBITDA VALUATION MULTIPLE RANGE

(7.4x average; 5.8x average excluding Optasia)



DEBT/EBITDA MULTIPLE RANGE

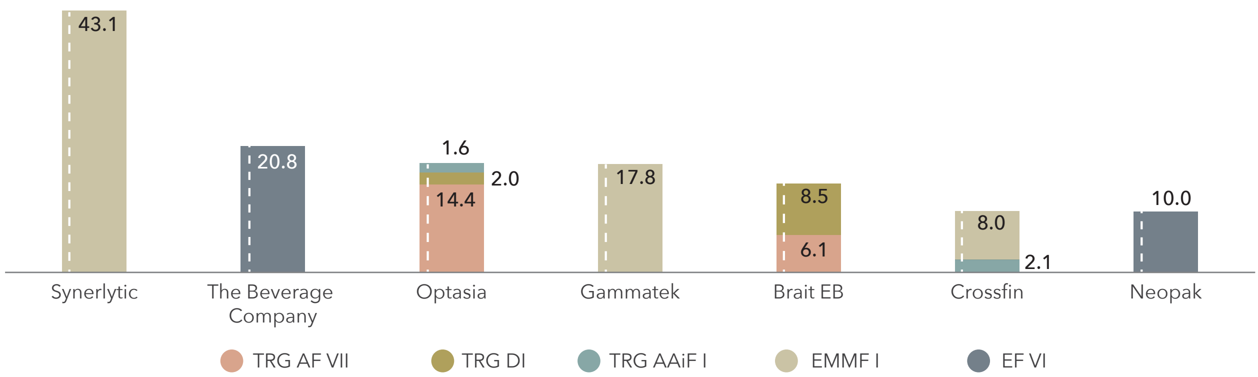
(1.6x average)



Realisations

During the year ended 30 June 2024, total proceeds of R134.4 million were realised on behalf of Ethos Capital by the various TRG SA Funds, as noted below:

Realisations by Fund and Portfolio Company



EMMF I agreed the sale of The Particle Group, a business unit of Synerlytic, in April 2024 at a significant premium to the pre-sale carrying value. The transaction was concluded in May 2024 and Ethos Capital received proceeds of R43.1 million in June 2024.

In January 2024, it was announced that Varun Beverages has agreed to acquire 100% of The Beverage Company, an investment held by EF VI at a R3.0 billion enterprise value. The transaction was concluded in March 2024, with Ethos Capital receiving distribution proceeds of R20.8 million in April 2024. The proceeds represent a 12% premium to the pre-sale carrying value of the investment.

During the year, Ethos Capital received dividends of R18.0 million, representing its share of the Optasia dividends.

Gammatek continued its solid financial performance that resulted in strong cash generation, enabling distributions to its shareholders with Ethos Capital receiving proceeds of R17.8 million.

Ethos Capital received coupons on the Brait exchangeable bonds totalling R14.6 million for the year.

Following the completion of the sale of Retail Capital by Crossfin in December 2022, Crossfin received the first and second tranches of the deferred consideration during the current year totalling R10.1 million.

EF VI signed a sale agreement with Sango Capital Partners in October 2023 to sell 100% of Neopak. The transaction concluded in April 2024, and Ethos Capital received its share of the sale proceeds of R10.0 million, representing a 20% uplift over its pre-sale carrying value.

Signed and post period-end transactions

In May 2024, EMMF I agreed the sale of WearCheck, the remaining business in Synerlytic. Ethos Capital's expected proceeds were valued at R270.5 million at 30 June 2024. The total realisation of Synerlytic achieved a 40% premium over its pre-sale NAV. In addition in May 2024, EMMF I agreed the sale of Adumo, a business unit within Crossfin, to Lesaka Technologies. Ethos Capital is expected to realise R54.7 million of proceeds, that represent a 13% uplift over its pre-sale carrying value at 31 December 2023. Both transactions were subject to regulatory approvals; Synerlytic subsequently completed in August 2024 (at R280.3 million) and Adumo is expected to conclude in October 2024.

As noted on pages 11 and 16, Ethos Capital unbundled its Brait ordinary shares to its shareholders in July 2024. Based on the value at 30 June 2024 at R113.6 million, the unbundling represents a value per Ethos Capital share of R0.45.

As part of the Brait restructuring, which included a 25% redemption of the Brait exchangeable bonds, TRG AF VII and TRG DI received R73.3 million in August 2024, of which R43.7 million was distributed to Ethos Capital.

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. This facility has been extended to February 2028.

The Company followed 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, 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.

As previously noted and on pages 7 and 9, the Company's focus is on realising value from the existing investments held via Funds in the underlying Portfolio Companies and no new Fund commitments or investments will be made.

At 30 June 2024, the Group had total debt of R522.5 million, including R210.2 million debt held by Black Hawk Private Equity (Proprietary) Limited ("Black Hawk"). Black Hawk, previously a controlled entity of the Company, was formally acquired by Ethos Capital on 28 June 2024.

The Group is expected to de-leverage significantly over the next six months, due to the expected proceeds as noted above.

OVERVIEW OF THE PORTFOLIO COMPANIES

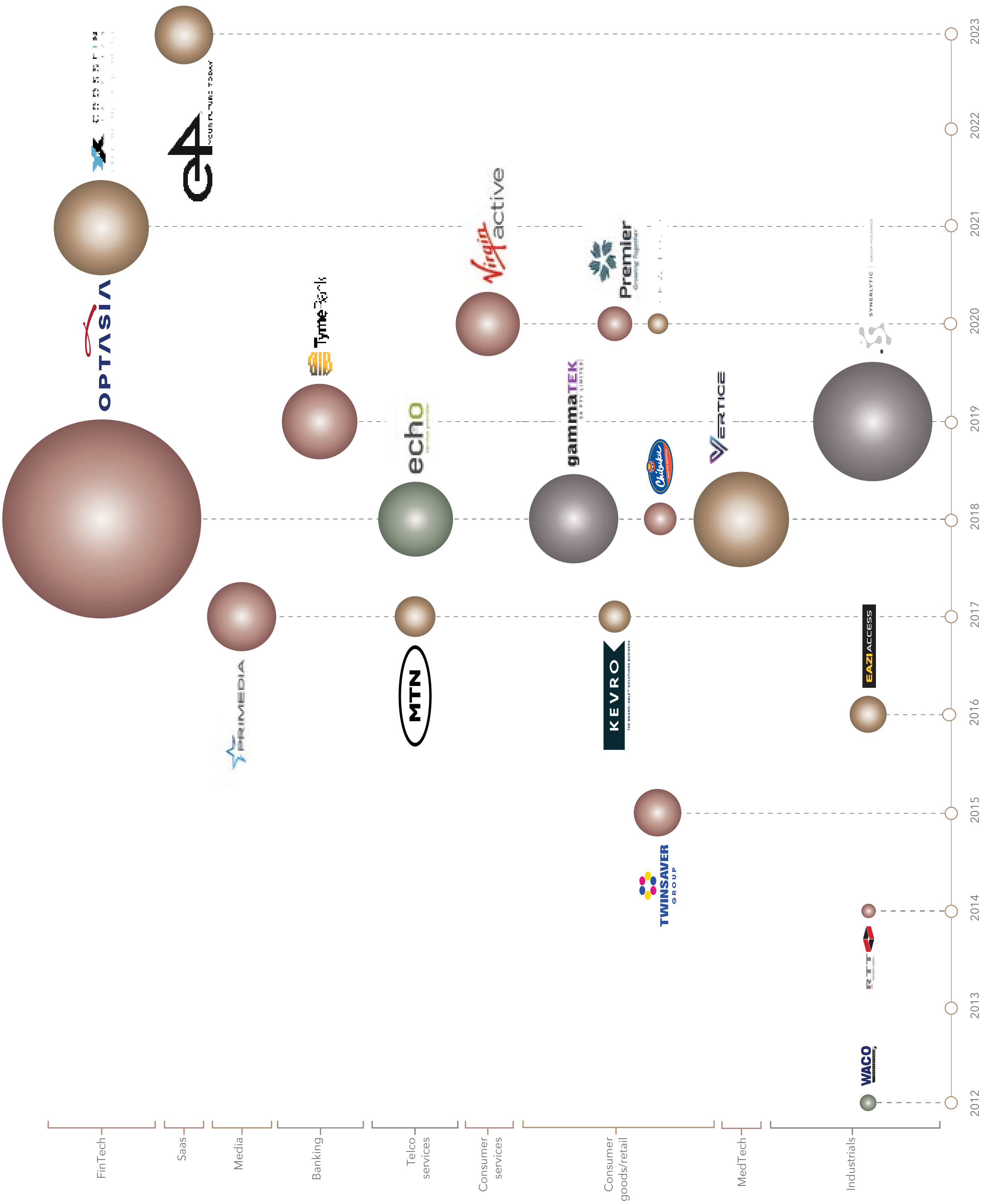
OVERVIEW OF THE PORTFOLIO COMPANIES

Ethos Capital makes commitments into Funds or Co-Investments that are managed by TRG SA, enabling it to invest alongside TRG SA's institutional investors to provide its shareholders with unique access and exposure to a diversified portfolio of private equity-type investments. At 30 June 2024, Ethos Capital and its shareholders had an indirect exposure to 20 Portfolio Companies.

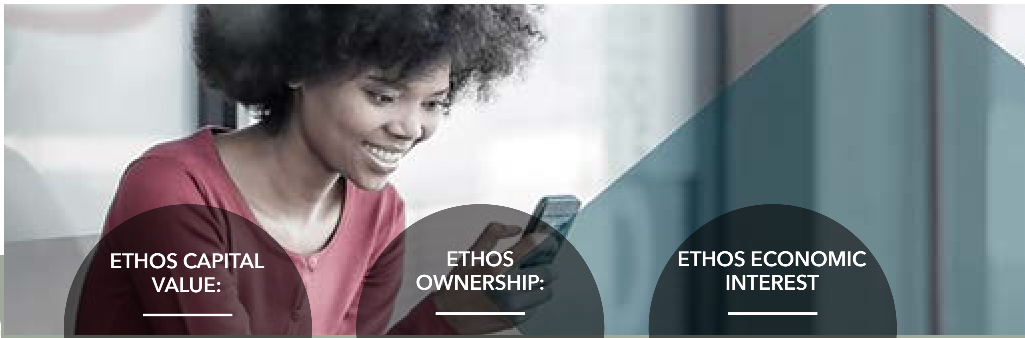
Any such indirect participation will generally form part of a much larger majority shareholding that Ethos will manage collectively on behalf of all its investors. TRG SA typically aims to hold a controlling stake in the investments with significant representation on the boards of these Portfolio Companies.

The investments represent a number of industries and sectors and were acquired in different vintage years, providing exposure to different economic cycles.

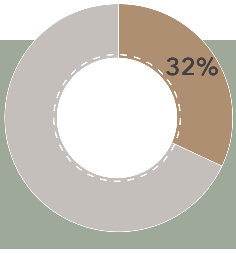
This section provides further details of some of the largest unlisted Portfolio Companies that in aggregate contribute c.62% of the total assets at 30 June 2024. The investment in Brait that was unbundled post 30 June 2024 and the Synerlytic investment that was realised post 30 June 2024, represent c.17% of the total assets.


2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
FinTech
Saas
Media
Banking
Telco services
Consumer services
Consumer goods/retail
MedTech
Industrials

OPTASIA



% OF TOTAL ASSETS



ETHOS CAPITAL VALUE:

R753m

ETHOS OWNERSHIP:

16.6%
(ETHOS CONSORTIUM)

ETHOS ECONOMIC INTEREST

7.3%
(DIRECT & INDIRECT)

Optasia is a **global FinTech company** that partners with MNOs, mobile wallet operators and financial institutions in order to enable them to provide **financial access to end customers through an AI-technology credit scoring platform**.

Micro-lending

Growing number of micro-lending products that can quickly be embedded into distribution partners' ecosystem

Airtime Credit

Airtime credit solutions for MNOs powered by AI-led real-time credit scoring, omnichannel delivery and personalised marketing

Data monetisation

Turn-key product-as-a-service solutions for MNOs to leverage on their data and create new revenue streams

Growth drivers

- **Large and growing addressable market:** Optasia enables numerous MNOs and financial institutions to provide financial services to 119 million customers a month on average, from an addressable base of over 860 million mobile subscribers
- **Geographical expansion:** Optasia reaches customers in 37 countries, with a focus on emerging markets in Sub-Saharan Africa, the Middle East, Asia, and Latin America. Optasia has a highly-scalable business model and continues to expand to new markets globally
- **Product expansion:** Optasia has an established AI-technology platform and relationships with MNOs and financial institutions that is being leveraged to expand into adjacent products (e.g. buy-now-pay-later services for SMEs)

Financial performance in US$

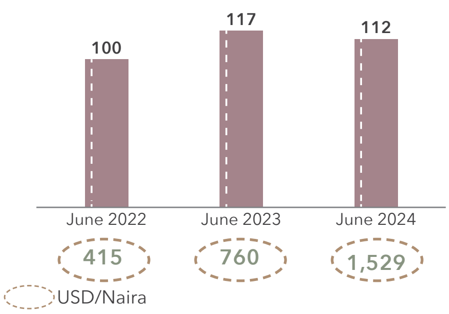
Muted H1 2024 performance driven by:

- Full absorption of FX losses in key markets
- Slower than anticipated new deployments, specifically in the micro-lending business

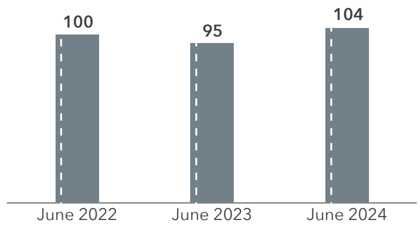
Update on trading:

- Post June 2024, there has been a step change in performance which is likely to result in strong FY24 year-on-year EBITDA growth. Key drivers include
  - New deployments (especially MFS)
  - Enhanced technology and data solutions for products being rolled out increase revenues and lower defaults
  - Relatively stable currency environment, post high volatility in last 12 months

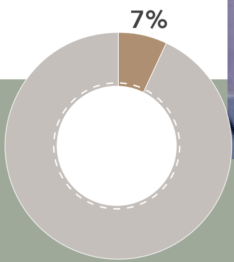
LTM REVENUE (rebased to 100)



LTM EBITDA (rebased to 100)



VERTICE



% OF TOTAL ASSETS

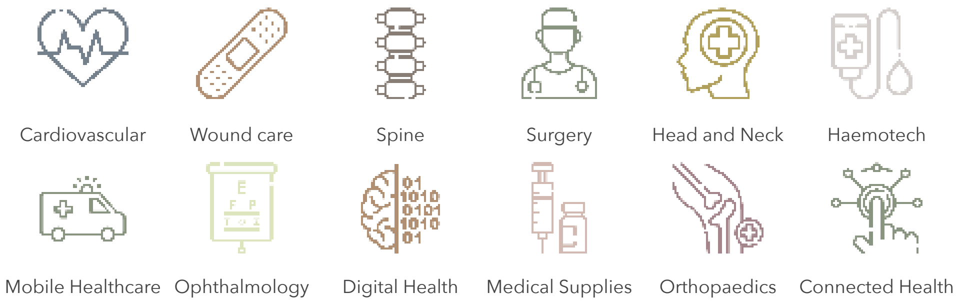
ETHOS CAPITAL VALUE: R173m

ETHOS OWNERSHI[P: 88.2% (EF VI, TRG AAiF I & EHP)

ETHOS CAPITAL ECONOMIC INTEREST: 17.6% (DIRECT & INDIRECT)

Vertice is a South African based **medical technology company** with a continent-wide footprint that provides **turnkey medical solutions across several healthcare sectors.**

The platform has been created through a **buy-and-build strategy** with **eleven successful bolt-on acquisitions** concluded since the Ethos investment



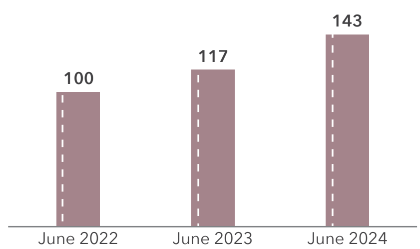
Growth drivers

- **Organic growth:** Potential to grow both in terms of market share, market value and new product categories within South Africa and SSA
- **Integration of bolt-on acquisitions:** Vertice has concluded eleven bolt-on acquisitions, diversifying the product offering and increasing scale. The business is focused on integration of the acquisitions with cost savings realised as a result of consolidation into a single head-office and warehouse
- **Digital Transformation:** Digital transformation of processes in the business through IoT and Ai engines, with the first Ai-driven diagnostic product successfully launched in the cardiology division. Furthermore, Vertice is exploring European expansion through the provision of medical technology enabled solutions.

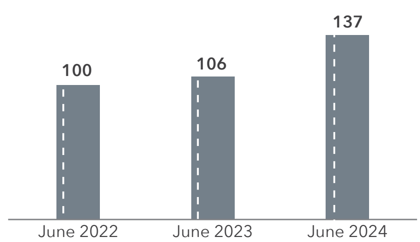
Financial performance

- **Vertice's growth accelerated** with LTM revenue and LTM EBITDA increasing by 22% and 29% respectively
- **Strong performances** from orthopaedics, surgical and mobile clinics offset the cardiovascular business unit that underperformed due to a loss of a key agency contract
- **Significant progress** made in mitigating this lost contract with introduction of replacement and new products across all specialisations
- **Vertice Software Solutions** (medical software development) pivoted to developing private sector solutions with an initial European contract secured
- **Several growth and optimisation initiatives** are underway, including targeted reductions in working capital investment and improvement in free cash flow generation

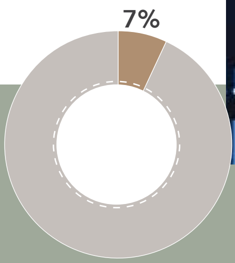
LTM REVENUE (rebased to 100)



LTM EBITDA (rebased to 100)



CROSSFIN HOLDINGS
ENABLING DIGITAL COMMERCE



% OF TOTAL ASSETS

ETHOS CAPITAL VALUE: R170m

ETHOS OWNERSHIP: 33.4% (EMMF I & TRG AAiF I)

ETHOS CAPITAL ECONOMIC INTEREST: 11.8% (DIRECT & INDIRECT)

Crossfin invests in high growth, established, cash generative FinTech solutions to enable growth for companies in Africa & beyond. The platform consists of four key verticals:

AKELO – Issuing
Provides leading card, mobile and processing platforms, enable payment acquiring

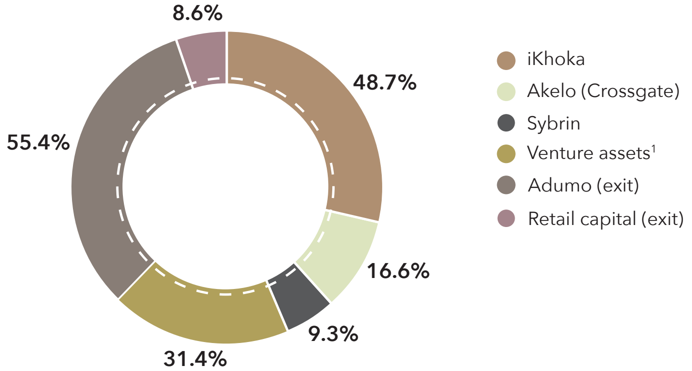
sybrin – Software
Provides payment & info processing solutions for the financial services industry

iKhokha – Acquiring
Provider of payment acquiring services and MCA through Retail Capital

adumo – Acquiring
Payment gateway, rewards platform, & POS software

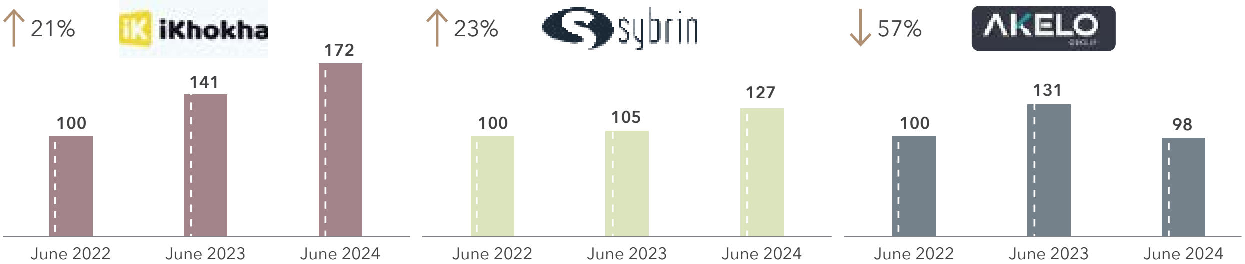
CROSSFIN – Ventures
Provides pre-seed funding to promising, scalable FinTech start-ups

Value attribution
(R170 million; 38% exited but awaiting proceeds)



Financial performance

LTM REVENUE (rebased to 100)

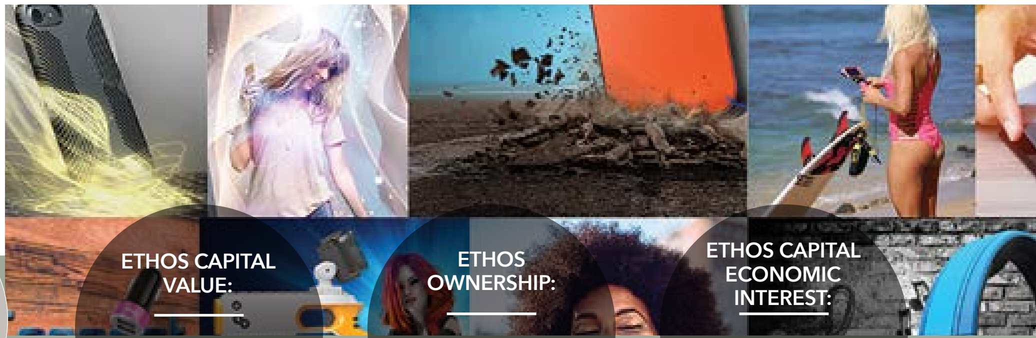


↑ 37% adumo

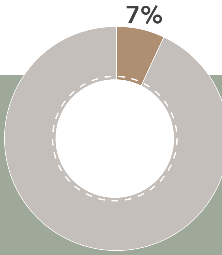
- Sale of Adumo to Lusaka expected to complete in October 2024
- Ethos Capital proceeds of R55m
- MOIC 1.3x

↑ YoY value change

[1] *Venture assets consists of start-up assets within Akelo, and standalone assets for Ventures and Crossfin Mauritius*



% OF TOTAL ASSETS



ETHOS CAPITAL VALUE:
R157M

ETHOS OWNERSHIP:
51.3%
(EMMF I)

ETHOS CAPITAL ECONOMIC INTEREST:
19.9%
(DIRECT & INDIRECT)

Gammatek is a leading distributor of mobile accessories and low-technology products with 50% market share in its targeted categories.

The business imports and distributes products primarily in South Africa through a blue-chip customer base that includes Incredible Connection, Vodacom as well as independents.

Gammatek has exclusive distribution agreements with global brands such as Speck and UAG as well as a globally unique manufacturing license with Bodyglove. The company has also successfully developed and launched its own brand, Snug, focused exclusively on charging accessories

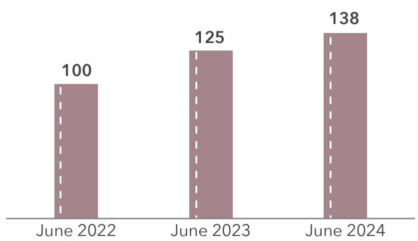
Growth drivers

- Benefit from continued growth of smart mobile devices in the core market underpinned by increasing penetration and the two-year replacement cycle driven by the mobile network operators and built-in redundancies in mobile technology
- Continued growth through expanding customer channels
- Diversify into mid-tier smart mobile devices as well as non-mobile but complementary consumer products that will open up new channels for the business
- Expand into select markets in the rest of Africa by investing in a dedicated sales force with relevant on-the-ground experience and a fit-for-purpose operating model
- Complementary acquisition and expansion opportunities to augment the existing product offerings
- Invest in further management capacity to drive improved professionalisation of the business

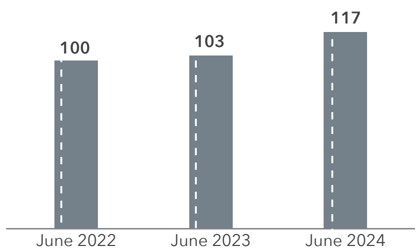
Financial performance

- Consumers continue to be under pressure due to **high interest rates and inflation** which has weakened spending power and impacted the mature telco channel customer segment, with an extension to the replacement time of mobile phones
- Furthermore, **currency depreciation** and **input cost inflation** have also added pressure on the operational results
- Despite these challenges, Gammatek has grown its LTM **Revenue by 10%** and LTM **EBITDA by 13%**
- Management focused on margin improvement (through supply chain management), growth strategies that include **expanding** presence in the **retail consumer segment** and driving higher revenue in other **African countries** through bespoke, low-cost entry models (launched in Botswana and Mauritius)

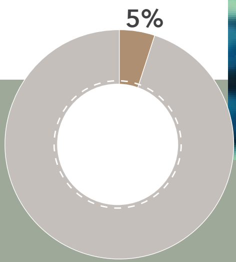
LTM REVENUE (rebased to 100)



LTM EBITDA (rebased to 100)



echo
service provider



% OF TOTAL ASSETS

ETHOS CAPITAL VALUE:	ETHOS OWNERSHIP:	ETHOS CAPITAL ECONOMIC INTEREST:
R110m	72.9% (EMMF I & TRG AF VII)	36.4% (DIRECT & INDIRECT)

Echo is a **corporate Internet Service Provider** ("ISP"), providing information and Communications Technology services through an **aggregation of third-party networks**. In 2019 Echo South Africa acquired Gondwana, a scaled independent ISP with a significant African footprint and provides wireless, terrestrial and satellite communication services

Echo offers customers a single point of accountability and **a wide variety of products** through a hybrid of available networks & services:

- Managed Networks
- Connectivity
- Cloud and Hosting
- Security

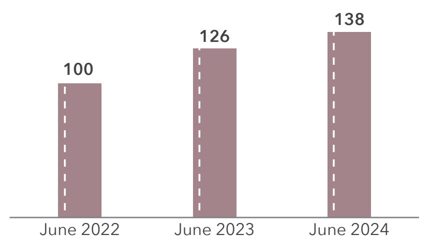
Growth drivers

- **Organic growth:** Data consumption in Africa continues to grow; we believe the B2B service market growing faster than any other segment of ICT in SSA. Echo is well positioned to increase its share of this growing market, with >102 interconnects and direct connects with upstream infrastructures, resulting in access to all networks and Data Centre facilities
- **SSA presence and expansion:** Echo has operations and licenses across nine countries in SSA and strategic partners across 44 countries, providing the widest range of carrier connectivity coverage across Africa; a key differentiator to peers. Echo's focused SSA expansion strategy targets servicing multinational companies across geographies
- **Drive cross-sell of existing products and services beyond the more basic telco and network services**

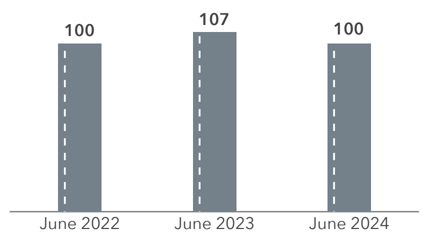
Financial performance

- Strong topline growth, with revenue up **18% p.a. over the last two years**
- SA EBITDA slightly down on prior year, with competitive market dynamics resulting in margin compression. However, there has been **good momentum in the business post June 2024**, with some key client wins which will assist full year performance
- **A restructuring of the rest of Africa business** has been completed, resulting in significant cost savings in this business

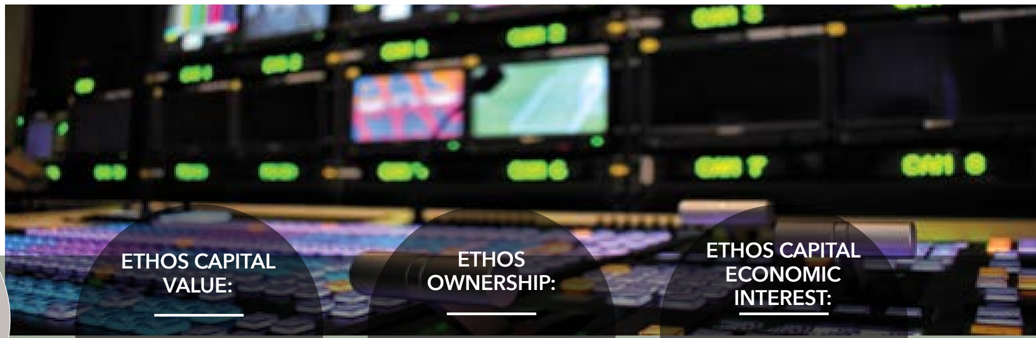
LTM REVENUE (rebased to 100)



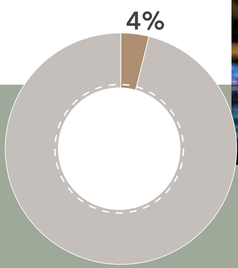
SA LTM EBITDA (rebased to 100)



PRIMEDIA



% OF TOTAL ASSETS



ETHOS CAPITAL VALUE:	ETHOS OWNERSHIP:	ETHOS CAPITAL ECONOMIC INTEREST:
R92m	24.2% (FUND VI & CO-INVEST)	4.7% (DIRECT & INDIRECT)

Primedia is a diversified media platform, operating across three divisions:

Broadcasting	**Primedia Broadcasting** - premium radio stations (947, 702, Kfm 94.5, CapeTalk) and award-winning national news brand Eyewitness News ("EWN")
Out of Home ("OOH")	**Primedia Outdoor** - premier provider of OOH media solutions within South Africa and the Rest of Africa, delivering OOH advertising opportunities across inter alia billboards, commuter and mall platforms **Primedia Retail**- a leading OOH media provider operating through key divisions - Primedia Instore, Primedia Malls and the XP Group
Content and Digital	**Primedia Studios** - studio production and distribution division providing high quality local content to a combined viewership of c.10m weekly The **Primedia+ platform** - a one-stop destination for live-streaming and content from Primedia's radio stations and EWN TV news bulletins

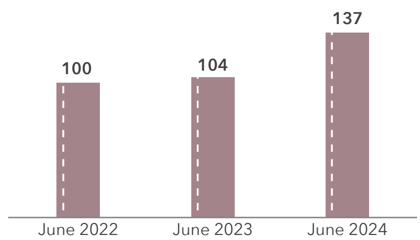
Growth drivers

- Diversified business model from Broadcasting and OOH with growth initiatives such as Primedia Studios and Primedia+
  - Trusted market leading brands and assets in its core Broadcasting and OOH divisions, with over 4 million listeners in a market highly correlated with GDP growth
  - New products and strategies in high growth areas such as digital streaming and content distribution

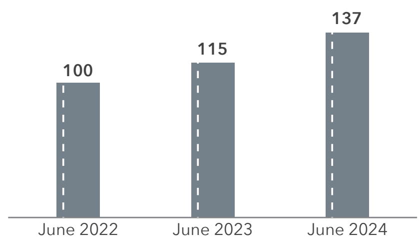
Financial performance

- **Strong underlying revenue growth** with revenue up 32% over the past 12 months largely driven by strong performance in the Broadcasting division
- **EBITDA performance in line with** revenue growth, with profitability from Primedia Studios expected to come through in the next financial year
- The centralisation of the Group's cash management has delivered **improved cash conversion (82% free cash flow conversion)**, despite the continued investment into Studios

LTM REVENUE (rebased to 100)



LTM EBITDA (rebased to 100)



INVESTMENT GUIDELINES AND STRATEGY

Objective

Ethos Capital's investment objective was to develop a diversified portfolio of investments that will provide its shareholders with superior long-term returns by leveraging, at the time, Ethos' active management model to maximise investor returns.

The Ethos Capital investment proposition was based on:

1 | Unique access point:

The Company offered a unique opportunity to invest in and co-invest alongside Ethos Funds through a liquid and efficient vehicle listed on the JSE and governed by an independent Board of non-executive Directors with deep private equity experience.

2 | Demonstrated performance:

Ethos, now acquired by the TRG Group, was the largest private equity firm in sub-Saharan Africa ("SSA"), with an established track record of investment returns delivering a realised gross IRR of 24% over 39 years at the time.

3 | Diversification:

Ethos Capital provided public market investors with a liquid vehicle to indirectly access a diversified pool of unlisted small to mid-sized companies through equity or equity-like instruments, which would be actively sourced by Ethos to optimise investor returns.

4 | Alignment of interests:

Strong economic alignment existed between Ethos – the Investment Advisor – and Ethos Capital, as a result of significant investments by Ethos in Ethos Capital's A Ordinary Shares and in the Ethos Funds.

5 | Experienced private equity non-executive Directors:

The Board has an extensive understanding of and a significant track record in the private equity industry in order to make optimal investment decisions for Ethos Capital.

6 | Structural efficiency:

Ethos Capital conducts its business operations from Mauritius due to the business-friendly environment, the spread of tax treaties Mauritius has with many of the jurisdictions Ethos Capital invests in, and the acceptance among global investors of Mauritius as an investment jurisdiction. This, combined with TRG SA's (previously Ethos) fee structure (designed to ensure there are no "fees on fees") gives structural efficiency and fiscal transparency to Ethos Capital.

7 | Liquidity management:

Ethos Capital actively manages liquidity in the best interests of its shareholders. As part of its liquidity strategy, the Board is committed to enhancing the NAV per A Ordinary Share. As part of this strategy, the Board may utilise share repurchases to enhance shareholder value.

Strategy

Ethos Capital's investment objective was achieved through the following strategies which were the primary lines of business of Ethos Capital (these were largely achieved pre TRG's acquisition of the business of Ethos):

1 | Primary Investments:

Commitments to various Ethos Funds during their respective fundraising processes.

2 | Secondary Investments:

Acquisitions of existing Limited Partner interests in established Ethos Funds.

3 | Direct/Co-Investments:

Direct acquisitions of interests in underlying Portfolio Companies alongside Ethos Funds to the extent that the Ethos Funds required co-investors in the underlying Portfolio Companies.

4 | Temporary Investments:

Temporary Investments in a portfolio of low-risk, liquid debt instruments (including, inter alia, South African government bonds, NCDs and other similar, low-risk, liquid instruments) for cash management purposes, as appropriate.

Sectors

Ethos Capital's investments provide exposure to a broad range of sectors, allowing it to gain access to growth and businesses at an early stage of maturity in which management teams remain equity incentivised.

No investment was allowed in any start-up business or where a prospective investment's business activities or operations involved:

- a prohibited activity, as defined in the investment guidelines;
- the development of raw land; or
- the exploration or development of oil and gas and/or natural resources.

Geographies

Ethos Capital's primary focus for its investments was companies headquartered in South Africa and other selected countries in SSA. Ethos Capital also invested in new Fund strategies, the exposure to which was governed and considered by the Ethos Capital Board.

Growth in invested NAV

Ethos Capital's objective is to maximise growth in invested NAV and NAVPS.

Relationship with Investment Advisor

The JSE has granted a dispensation to the effect that transactions (constituting less than 10% of the Company's market capitalisation and subject to some restrictions) entered into by the Company in the ordinary course of business involving TRG SA (previously Ethos), TRG SA Funds and their respective associates, will not be regarded as related-party transactions for the purposes of the Listings Requirements. Shareholder approval will therefore not be required for such non-related-party transactions.

Communication of transactions

All transactions concluded in accordance with the Investment Strategy had been regarded as being in the ordinary course of business, unless circumstances dictated otherwise.

Subject to the applicable laws and regulations, communication with institutional shareholders and investment analysts will be maintained through periodic presentations of financial results, one-on-one visits, trading statements and press announcements of interim and final results, as well as the proactive dissemination of any information considered material to investors and shareholders.

With respect to all related-party transactions, communication with shareholders will be made in accordance with the Listings Requirements, as applicable.

Approval of Investment Strategy

The Investment Strategy was approved by shareholders on 11 July 2016 in compliance with section 15 of the Listings Requirements and by the Board on 11 July 2016. Any future material changes to (i) the Investment Strategy, must be approved by shareholders by way of ordinary resolution, and (ii) the Investment Guidelines, must be approved by the Board and the JSE, to the extent required.

The Company's complete Investment Strategy and Guidelines can be found at:

https://ethoscapital.mu/what-we-do/investment-strategy/

While the investment strategy has not been amended, the Board is focused on value creation and returning capital to shareholders and therefore no new investments per the Investment Strategy will be made.

INVESTMENT ADVISOR

Investment services agreement

Ethos Capital has an investment services agreement detailing the terms by which TRG SA – as its Investment Advisor – will provide investment advice, including sourcing of investments, administration and back-office services to Ethos Capital.

Duration and termination

The initial investment services agreement became effective on the listing date, 5 August 2016. Following the acquisition by the TRG Group of the business of Ethos, an amended and restated investment services agreement was signed that became effective on 1 April 2023. It can be terminated by Ethos Capital or TRG SA by written notice given to the other party at any time after the date on which Ethos Capital no longer holds any Direct, Primary or Secondary Investments.

Fees

As payment for the above services, TRG SA receives an investment services fee, management fee and administration fee, all calculated and paid quarterly in arrears.

The investment services fee is 1.5% of the average of the opening invested NAV and closing invested NAV attributable to Direct Investments, unless other terms or exemptions are agreed between TRG SA and Ethos Capital. The management fee is 1.5% of the average of the opening invested NAV and closing invested NAV attributable to the Primary Investments within each Fund in which Ethos Capital invests.

In respect of any Secondary Investments acquired, the management fee payable will be the Company's proportionate share of any management fee charged by and payable to the manager of such Fund according to the partnership agreement governing that partnership.

TRG SA receives an administration fee of 0.25%, based on the average balance of the Temporary Investments, for providing administrative and back-office services. The administration fee paid to TRG SA is reduced by any fees payable to the manager of the Temporary Investments.

Performance participation

In addition to the above fees, Ethos is entitled to a performance-based participation if certain returns are achieved; this arrangement was not transferred to the TRG Group and remains between Ethos Capital and Ethos. The participation is to be settled through the release of encumbered shares and subsequent to that, the payment of a cash dividend. The performance participation is based on 20% of the growth in NAV of invested assets (excluding Secondary Investments and, where agreed between Ethos and Ethos Capital, certain other Investments might also be excluded) and is triggered if the NAV growth exceeds a preferred hurdle of 10%. The performance is measured over a cumulative three-year measurement period to ensure the average NAV growth over the period exceeds the preferred hurdle. Similarly to fees, performance-related payments in respect of Secondary Investments are charged by and payable to the manager of such Fund according to the relevant partnership agreement.

Investment experience

The experience of the Investment Advisor is set out in the Investment Advisor's Report on page 43 of the Integrated Annual Report.

INVESTMENT ADVISOR'S REPORT

Introduction to Ethos

Founded in 1984, Ethos managed investments in private equity and credit strategies and targets control buyouts and selected expansion capital investments in companies with strong growth potential.

Ethos managed investments on behalf of public and corporate retirement funds, sovereign wealth funds, fund-of-funds, development finance institutions, insurance companies, family offices and Ethos Capital. Investors are based in Southern Africa, Europe, North America and Asia.

Ethos had a 39-year track record of successful, sustainable investing across multiple economic and political cycles.

On 1 April 2023, The Rohatyn Group ("TRG"), an alternative asset management firm headquartered in New York, acquired the business of Ethos.

Introduction to TRG[1]

TRG was founded in 2002 by Nicolas Rohatyn as an alternative asset management firm focused on investing in the global emerging markets. The business has grown both organically and through the acquisition of certain third-party asset business management businesses, with the acquisition of Ethos in April 2023 being the most recent transaction.

TRG's asset management business is managed by a team of senior professionals with extensive experience in a diverse range of asset classes within the emerging and global markets. TRG's investment advisory services are supported by a robust business management platform with expertise in risk management, finance and accounting, legal and compliance, global operations and custody, marketing, investor relations and information technology.

TRG has offices in New York, Boston, Buenos Aires, Johannesburg, Lima, London, Montevideo, Mumbai, Nairobi, Rotorua, São Paulo, Mexico City, Istanbul, Cape Town, Cairo, Hanoi, Bangkok and Singapore.

As at 30 June 2024, TRG managed client assets totalling c.US$8.4 billion (c.ZAR152.8 billion).

People

The company employs approximately 160 professionals based in 16 countries across North and South America, Europe, the Middle East, Africa, India, Southeast Asia, and Oceania. The majority of the company is indirectly owned by its partners.

Investment strategy

TRG offers a diverse range of investment advisory services and strategies focused primarily on emerging markets. TRG's investment strategies span multiple asset classes and comprise four primary business lines: private equity and credit, forestry and agriculture, infrastructure and renewable energy, and public markets. The company is able to offer investors both traditional forms of exposure to emerging markets as well as customised solutions. TRG provides both discretionary and non-discretionary investment advisory services.

TRG provides investment advisory services to pooled investment vehicles ("Funds") and separately managed accounts ("SMAs"), which from time to time may include a wide variety of investors, including, but not limited to, endowments, foundations, employee benefit plans, family offices, governmental entities, taxable corporations, pooled investment vehicles, trusts, other institutions and high net worth individuals.

Business strategies

Since TRG's inception, it has expanded its expertise in a wide range of investment disciplines and currently has product offerings across private and public markets. In formulating advice and managing assets, TRG primarily relies on fundamental analysis. TRG's multi-product line construct is designed to support information flow and business efficiency, creating synergies across strategies that enhance overall performance. TRG leverages these resources to offer investors both traditional forms of exposure to emerging markets as well as customised solutions in the form of bespoke mandates or separately managed accounts.

[1] *The cities listed are certain cities whereby TRG (or an affiliate thereof) has a local presence by means of an office, employment, and/or consultancy arrangement. The figures presented herein include assets managed by (i) an affiliate, Capital Advisors Partners Asia SDN BHD, a 60%-owned subsidiary of TRG and (ii) an affiliate, Balam Administradora S. de R.L. de C.V., in which TRG holds a 60% voting stake. Assets under management also includes discretionary and non-discretionary (i) assets attributable to investment advisory accounts that generally invest in, among other things, securities and private market investments, and (ii) assets attributable to real-asset advisory accounts that generally invest in forestry-and/or agricultural-related assets and generally do not invest in securities.*

Private Equity and Credit

Private Equity and Credit encompasses a collection of global, regional and country focused Funds and SMAs. Geographic coverage is primarily focused on Latin America, Eastern Europe and Africa but also includes Asia and the Middle East. Investments are focused on relevant large equity, mid-market, late-stage growth capital and buyouts in companies with:

(i) an established market leadership position;

(ii) sound, clearly identifiable growth prospects;

(iii) strong financial position with stable predictable cash flows;

(iv) potential to be a platform for local, regional and international market consolidation; and

(v) international focus and a strong management team.

Forestry and Agriculture

Forestry and Agriculture includes a number of Funds, SMAs and joint ventures. Geographic coverage spans New Zealand, the United States, Australia and Latin America. While TRG considers a broad spectrum of investment opportunities, including ones marketed in competitive open bid processes, many of TRG's investments in forestry and agriculture are focused on properties that are expected to attract less competition from other buyers. This includes properties that have a low level of expected cash flow in the near term (and are thus not suitable for debt financing), properties that are located in lesser-known areas (including outside the United States) and properties that require intensive upfront structuring (such as multi-party transactions). Such properties may then be held until they become more marketable.

Infrastructure and Renewable Energy

Infrastructure and Renewable Energy encompasses a TRG affiliate, as well as global and country focused renewable and clean energy strategies, including a joint venture. Geographic coverage spans Southeast Asia as well as Mexico, Brazil, India and China. Investments are primarily made in operating assets or assets expected to become operational and generate cash flows within a reasonable period of time after investment.

Public markets

Public Markets includes TRG's fixed income strategies and equities strategies, as well as certain other strategies pursued by TRG-sponsored hedge funds. TRG has the capabilities to manage long only fixed income and equity investment strategies as well as multi-asset class discretionary macro hedge funds. The investable universe spans more than fifty emerging and frontier markets in addition to several other countries on an opportunistic basis.

Current private equity and credit investment offerings applicable to Ethos Capital

Large equity

EF VI and TRG AF VII (previously EF VII) focus on larger private equity transactions of between R350 million and R900 million per investment, targeting companies with enterprise values ("EVs") of between R1.5 billion and R7.0 billion. The Funds invest in companies with market-leading positions, an identifiable competitive advantage, strong cash flows and significant growth potential.

As an active investor, TRG SA capitalises on its proven experience of owning businesses across a variety of investment, economic and political cycles to maximise value post investment and generate superior returns.

EF VI has seven existing Portfolio Companies: Autozone, Eazi Access, Primedia, RTT, Twinsaver, Vertice MedTech and Waco.

TRG AF VII has three investments: Optasia, Echo and Brait (ordinary shares and exchangeable bonds), which consists of a portfolio of large companies including Virgin Active, Premier and New Look.

Mid market

EMMF I held a successful final close of R2.5 billion in 2018. The Fund seeks to make investments predominantly in mid-market leveraged buyouts and for growth, targeting transactions between R100 million and R350 million and with an EV of between R0.5 billion and R1.5 billion.

This Fund aims to invest in entrepreneurial businesses, corporate spin-offs, and optimisation opportunities where it can accelerate growth. Together with management teams, EMMF I develops and enables strategic objectives, provides a third-party perspective on performance and implements high standards of governance and financial reporting.

The EMMF I is a black private equity fund as defined by the B-BBEE codes and is therefore able to confer strong empowerment credentials to the underlying Portfolio Companies.

EMMF I is currently fully deployed, with investments in Autozone, Echo, Eazi Access, Kevro, MTN Zakhele Futhi, Twinsaver, Gammatek, Synerlytic (fully exited post 30 June 2024), Crossfin and E4.

Mezzanine

TRG MP3 (previously EMP 3), a closed-end mezzanine debt fund, provides mezzanine and quasi-equity growth or acquisition financing solutions to companies in Southern and East Africa.

It invests in a broad spectrum of mezzanine financial instruments, each one tailored to meet the needs of a specific transaction or borrower. These instruments will include, inter alia, second lien loans, convertible loans, payment-in-kind notes and preference shares.

TRG MP3 held a final close in December 2019 with commitments of US$123 million.

The Fund has concluded four investments so far: Chibuku, Turaco, Grit and Kinetic.

Ai

TRG SA's inaugural Ai Fund, TRG AAiF I (previously EAiF I), was launched in 2018. The Fund's strategy is to make investments in companies where algorithmic decision making can be deployed in multiple places in the value chain which impact the value of the business. It includes targeting growth equity in established companies, mostly alongside other TRG SA-managed Funds, as well as earlier stage businesses.

The Fund held a final close in October 2020 with commitments of R745 million. TRG AAiF I is now fully deployed and has made four investments in: Optasia, TymeBank, Vertice MedTech and Crossfin.

Sustainability/ESG

TRG recognises the importance of environmental, social and governance matters ("ESG"), and their contribution to the value of businesses today. TRG commits to consider material ESG issues in the course of its due diligence and in the monitoring of portfolio investments to the extent reasonably practical under the circumstances and to the extent required by each mandate.

TRG SA follows the IFC's Environmental, Health and Safety Guidelines and applicable IFC Performance Standards (2012) in all its investments. Furthermore, the Firm has adopted the Codes for Responsible Investing in South Africa ("CRISA"). These codes subscribe to the UN-backed Principles of Responsible Investing. TRG has subscribed to the ESG Data Convergence Initiative (EDCI) since 2022, and continues to collect data as required for annual ESG data submissions.

PRI Principles for Responsible Investment

ESG Data Convergence Initiative

Further details are provided in the Sustainability and Social and Ethics Report on page 59.

GOVERNANCE

CORPORATE GOVERNANCE REPORT

Commitment

Ethos Capital is committed to the principles of sound governance and application of the highest ethical standards in the conduct of its business and affairs. The Board is committed to the values and characteristics of competency, responsibility, accountability, fairness, integrity and transparency of King IV. The Directors accept full responsibility for the application of these principles to ensure that good corporate governance is effectively practised at Ethos Capital. Furthermore, the Board understands and accepts its responsibility to the shareholders of Ethos Capital and endeavours to ensure the Company conducts its business in the best interests of its shareholders.

The Board is responsible for ensuring compliance with all statutory obligations as specified in the Constitution of Ethos Capital, the Mauritius Companies Act, the Listings Requirements and all other applicable regulatory requirements. The Company is in compliance and is operating in accordance with its Constitution and the Mauritius Companies Act.

The Directors endorse King IV and recognise the need to conduct the affairs of Ethos Capital with integrity and in accordance with generally accepted corporate governance practices. In discharging this responsibility, the intention is to apply the principles of King IV in both letter and spirit. The Directors recognise they are ultimately responsible for the financial performance of Ethos Capital. The Directors have taken steps to ensure compliance with the Listings Requirements (save as exempt or where the JSE may provide dispensation) and the application of the principles of King IV. It should be noted that Ethos Capital, as an investment entity, does not have and will not conduct, traditional operations, and thus not all the traditional corporate governance structures and practices envisaged by King IV are appropriate to Ethos Capital and its business as an investment entity. The Company does not have any executive employees.

Application of King IV

A detailed register of the Company's application of King IV is available at:

https://ethoscapital.mu/investors/governance/

Board

Responsibilities

The Board is ultimately responsible for Ethos Capital's business, strategy and key policies, and for the approval of the financial objectives, targets and investment decisions.

In addition, the Board is required to:

- define and implement the long-term strategic vision of Ethos Capital;
- define and implement Ethos Capital's Investment Strategy, evaluate and make commitments to TRG SA Funds or Direct Investments via the Investment Committee;
- approve the annual business plan and budgets;
- promote organisational integrity and monitor and oversee Ethos Capital's values, ethics and its Environmental, Social and Governance ("ESG") approach and commitments, via the Social and Ethics Committee;
- monitor and review Ethos Capital's performance and delivery against strategy, business plans and budget;
- monitor and review the performance and delivery of services by TRG SA in terms of the investment services agreement;
- monitor, review and evaluate the performance of the portfolio;
- represent Ethos Capital on the relevant TRG SA Funds' advisory boards where appropriate;
- monitor and oversee Ethos Capital's recognition and management of risk, via the Audit and Risk Committee;
- monitor and oversee the appropriateness of financial processes, systems and controls, via the Audit and Risk Committee – protecting Ethos Capital's financial resources and position;
- monitor the appropriateness of business processes, systems and controls, and the effectiveness and competitiveness of Ethos Capital;
- approve the Annual Financial Statements and the Integrated Annual Report, after review and approval by the Audit and Risk Committee;
- monitor and oversee the appropriateness of regulatory compliance, processes and reporting via the Audit and Risk Committee – protecting Ethos Capital's regulatory reputation;
- monitor the policies and processes for open and honest communication with shareholders and other stakeholders – protecting Ethos Capital's business reputation;

- review the remuneration of Directors and employees via the Remuneration Committee;
- review the performance of the Company Secretary, as well as their competence, qualifications and experience annually, and report on whether or not the Board is satisfied therewith to the shareholders in the Integrated Annual Report;
- monitor and advise on the management of potential conflicts of interest of, and with, Board members, Senior Advisors, shareholders and other stakeholders;
- monitor and appreciate stakeholders' perceptions affecting Ethos Capital's reputation; and
- review the performance of the Board, Directors, and Board Committees and report on whether the Board is satisfied that it has fulfilled its responsibilities

Composition

The Board currently consists of five independent non-executive Directors, consisting of three non-South African citizens and two South African citizens. No Director qualifies as a historically disadvantaged South African and none are or are connected to any politically exposed person. The Board is satisfied that there is a clear division of responsibilities to ensure a balanced distribution of power, time and authority so that no one Director has unfettered powers of decision making. The Board has given consideration for the need to appoint a lead independent director, which was not deemed necessary at this stage; this will be considered on an annual basis.

Directors retiring by rotation

Per the Company's Constitution, at least one-third of the non-executive Directors retires by rotation at each Annual General Meeting ("AGM"). Retiring Directors are eligible for re-election until they have completed nine years of service as a Director.

Conflict of interest and other policies

As per the Company's Conflict of Interest policy, all Directors are required to sign an annual declaration stating they are not aware of any conflicts of interest that may exist as a result of their interest in or association with any other company, except as disclosed, setting out for record-keeping purposes all business-related interests they have. As soon as a Director becomes aware of any conflict of interest, they must disclose such conflict immediately. In addition, all conflicts have to be considered, declared and noted at the commencement of each Board and Committee meeting. No conflicts of interest were noted by any Director during the year.

In addition, all Directors have to adhere to the following policies of the Company: Code of Conduct and Ethics; Share dealing; and Disclosure of Information, that includes Disseminating of price sensitive information.

Board members

The Directors noted below served on the Board throughout the financial year. Mrs Stillhart and Mr Juwaheer retire at the AGM and are eligible and offer themselves for re-election. The average age of the Directors is 58 years and the average length of service to Ethos Capital is 8 years. Biographies of all the Directors and their experience are as follows:

Yvonne Stillhart (56)

BSC ZFH

Appointed 15 June 2016

Chairperson, independent non-executive Director

Yvonne has over 30 years' experience in private asset investment management. She is an independent non-executive member of the board and audit and risk committee of UBS Asset Management Switzerland AG, the leading asset manager in Switzerland and a non-executive director and member of the audit committee of Patria Private Equity Opportunities Plc. Yvonne is also on the Board of Integrated Diagnostics Holding Plc. She previously chaired Unigestion (Luxembourg) S.A., an alternative investment fund manager ("AIFM"), investing globally via direct private equity investments, secondary and primary partnership investments. She was a co-founder and vice chair of the investment committee of Akina AG, a Swiss-based independent private equity manager who was acquired in 2017 by Unigestion S.A.

She has several decades of experience as a successful senior executive working with growth driven companies, transformational leadership, private asset and infrastructure investment, finance, banking as well as risk- and investment management across a wide range of industries and geographical regions, including Europe, USA and Africa.

She holds a Directors Certificate from Harvard Business School and is a Qualified Risk Director from the DCRO Institute. She also holds the ESG Competent Boards Certificate, and is fluent in German, English, Spanish and French.

Yuvraj Juwaheer (65)

LLB

Appointed 26 May 2016

Independent non-executive Director

Yuvraj currently serves as managing partner of YKJ Legal, a prominent law firm based in Mauritius. His expertise extends to advising on intricate corporate and finance transactions, collective investment schemes, trusts, funds structuring and administration, banking and regulatory issues.

He has over two decades of experience in the global business sector and has previously served as an independent director for a number of Indian funds. Prior to his appointment at YKJ Legal, he served as partner at Bedell Cristin (Mauritius) Partnership from November 2010 to November 2016, and earlier as partner at Citilaw Chambers. His professional journey also includes a significant tenure as an executive director of a prominent licensed management company as well as a partnership at De Chazal du Mee.

Yuvraj's contributions extend beyond his legal practice. Notably, he was a key member of the steering committee set up by the Mauritian government in 2004 tasked with evaluating the feasibility of opening the legal profession to international law firms in Mauritius. Additionally, he served as the secretary of the Association of Offshore Management Companies of Mauritius in 2003.

Yuvraj's academic foundation comprises an LLB from the University of London. He was called to the bar at the Middle Temple in London and at the Supreme Court of Mauritius. He is also an Associate of The Chartered Governance Institute UK & Ireland a member of the Society of Trusts and Estate Practitioners and a member of INSOL International.

Derek Prout-Jones (61)

BCom, BAcc, CA(SA)

Appointed 1 June 2016

Independent non-executive Director

After completing his articles at Deloitte & Touche, Derek joined RMB in 1989 in the special projects division. During his 21-year career with RMB, he spent five years in corporate finance, specialising in business valuation methodologies, and then joined RMB Private Equity as one of the founding members.

He served as chief financial officer ("CFO") of RMB from 1999 to 2003 and was appointed as chief investment officer ("CIO") in 2003 to oversee the various principal investment activities of RMB. He held this position until 2009, when he moved back to RMB Private Equity to head the division, which included sitting on the boards of Ethos (now TRG SA) and RMB Corvest Proprietary Limited.

During his tenure as CIO, he served on the RMB divisional board and chaired the RMB proprietary management board, the RMB investment committee and the boards of RMB Australia Holdings and RMB International Dublin Limited. He was also a member of various group governance committees.

He left RMB at the end of 2010 and joined Michael Pfaff in a private company, 4 Decades Capital, pursuing long-term investment opportunities that typically fall outside the scope of traditional private equity.

He holds Bachelor of Commerce and Accounting degrees from the University of the Witwatersrand and was a member of the South African Institute of Chartered Accountants ("SAICA").

Kevin Allagapen (47)

BCom (SA), Executive MBA (UK)

Appointed 26 May 2016

Independent non-executive Director

Kevin started his career at Deloitte & Touche Mauritius in March 2000 and has over 24 years' experience in the financial services sector in Mauritius. He is the Founder and Group CEO of ChiLin Global Fiduciary Services Ltd a management company regulated by the Mauritius Financial Services Commission).

His areas of expertise span corporate, fund structuring, formation, management and administration services, private wealth, tax planning and compliance, accounting, regulatory and compliance matters. He also serves as a director on the boards of numerous global business companies and funds operating in diverse economic sectors such as agriculture, manufacturing, mining, infrastructure, commerce, engineering, logistics, aviation, shipping and financial services and in that capacity is involved in investment and disinvestment decisions, strategy development, statutory compliance and day-to-day operations.

Kevin also acted as an independent non-executive director of Mauritius Housing Corporation, a public company whose principal activities are granting loans for the construction of houses and to engage in deposits taking and was the chairman of the audit committee in 2014.

He holds a Bachelor of Commerce from the University of KwaZulu-Natal, Pietermaritzburg, South Africa, and an Executive MBA from the University of Birmingham, UK.

Michael Pfaff (63)

BCom, MBA

Appointed 1 June 2016

Independent non-executive Director

Michael began his career in corporate finance at Deloitte & Touche and Standard Merchant Bank after which he spent four years in the United States with NationsBanc Capital Markets (now Bank of America), as a director of structured capital markets.

In 1997, he joined RMB to help build its private equity division. He was instrumental in growing the bank's private equity division and led the bank's initiative to spin out Ethos (where he sat as a director for a number of years). He was a director of the bank's private equity business, RMB Ventures, responsible for initiating and leading various on-balance-sheet investments. He also sat on the bank's investment committee responsible for all private equity and principle investing decisions.

In 2000, he was appointed CEO at RMB and during his tenure (2000 to 2008) pretax profits grew eightfold. Throughout this period he continued to be involved in large private equity decisions and served as chairperson of RMB Corvest Proprietary Limited.

Post-RMB, he has been involved in building a brand business, including a health and beauty business called CaviBrands Proprietary Limited, and turning around a fashion business called New House of Busby. Furthermore, he and Derek Prout-Jones invest through a private company, 4 Decades Capital, into long-term investment opportunities that typically fall outside the scope of traditional private equity.

He remained on the RMB and FNB divisional boards until 2017.

He holds a Bachelor of Commerce from the University of Cape Town and an MBA from Duke University (Duke Fuqua Scholar) and was a member of SAICA.

Report

A report by the Board has been provided on page 67 of the Annual Financial Statements.

Board Committees

As provided for in the Constitution, the Board is supported and assisted by four Committees with clear mandates and oversight responsibility for various aspects of the business. The responsibilities delegated to each Committee are formally documented in the terms of reference for that Committee, and have been approved by the Board and are reviewed annually. The current composition and responsibilities of each of the four Committees are set out on pages 50 to 52 of this Corporate Governance Report.

Audit and Risk Committee

Responsibilities

The Committee has an independent role with accountability to the Board and shareholders for:

- the safeguarding of assets;
- financial and internal controls, compliance and reporting;
- financial and other risk management;
- the external audit and assurance, and the integrity of the Annual Financial Statements; and
- corporate governance.

Its key responsibilities are noted below.

External audit

Responsible for recommending the appointment of the external auditors and overseeing the external audit process, including:

- evaluating the performance and effectiveness of the external auditors and process, the independence of the external auditors, and considering and pre-approving any material non-audit services;
- considering and making recommendations to the Board and shareholders on the appointment and retention of the external auditors, and ensuring their appointment complies with the Mauritius Companies Act and the Listings Requirements;
- approving the terms of engagement and remuneration for the external audit engagement; and
- discussing, reviewing, considering and agreeing the external audit plan and reports.

Financial reporting

Responsible for examining and reviewing any financial reports, updates or announcements prior to the submission and approval by the Board for publication, focusing on:

- balanced and fair presentation;
- consistency of applicable accounting policies and standards;
- judgemental areas, significant adjustments and going concern; and
- risks relating to financial reporting, fraud risks and IT risks.

Risk management

Responsible for ensuring that Ethos Capital has implemented an effective policy and plan for risk management, to provide assurance and enhance Ethos Capital's ability to achieve its strategic and business objectives. To achieve this, the Committee should:

- oversee the development and annually review a policy and plan for risk management; and
- monitor and oversee the implementation of the policy and plan to ensure they are integrated with the day-to-day activities of Ethos Capital and the activities in terms of the investment services agreement.

Internal audit

Responsible from time to time to consider the need for an internal audit function, or for similar assurance services on an as-needed basis.

Members

The Audit and Risk Committee is chaired by Kevin Allagapen and its other members are Yuvraj Juwaheer and Derek Prout-Jones. All members are independent non-executive Directors of Ethos Capital.

Report

A report by the Audit and Risk Committee has been provided on page 64 of the Annual Financial Statements.

During the year, the Audit and Risk Committee considered the effectiveness and appropriateness of the CFO and the finance function and believes that they are suitably qualified and experienced. The Committee considered the Group's financial and business reporting systems, processes and procedures. The Committee also reviewed the systems of internal financial and business controls and deems all the above to be operating effectively, as a basis for the preparation of reliable financial statements.

In addition, the committee reviewed the management accounts and considered the controls of the controlled entity. Furthermore, the Committee requested and received all relevant information, as required by the Listings Requirements, from the auditor to assess the suitability of the reappointment of Deloitte & Touche and Lito Nunes, as the designated individual partner, for the 2025 financial year.

Remuneration Committee

Responsibilities

The Committee is responsible for fair and responsible remuneration of the non-executive Directors and employees as well as the disclosure and reporting of relevant remuneration matters in the Integrated Annual Report. Its duties include:

- recommending the remuneration policy of the Company;
- proposing the non-executive Directors' remuneration annually to the Board;
- reviewing the terms of consultancy agreements entered into with the non-executive Directors;
- ensuring relevant, complete and transparent disclosure and reporting on remuneration matters; and
- ensuring annually that the remuneration policy and remuneration implementation report are put to a non-binding advisory vote at the AGM.

Members

The Remuneration Committee is chaired by Yuvraj Juwaheer and its other members are Kevin Allagapen and Michael Pfaff. All members are independent non-executive Directors of Ethos Capital.

Remuneration

The remuneration of the Directors is set out on page 98 of the Annual Financial Statements.

Policy and report

The remuneration policy and implementation report by the Remuneration Committee have been provided on pages 57 to 58 of this Corporate Governance Report.

Investment Committee

Responsibilities

The Committee is responsible for the Investment Guidelines and Strategy, evaluating and making recommendations about investment opportunities on behalf of the Company and monitoring the performance of the investment portfolio. Its duties include:

- considering and proposing any changes to the Investment Guidelines and Strategy;
- overseeing the implementation and adherence to the Investment Guidelines and Strategy;
- analysing and evaluating proposed investments, including Primary Investments, Secondary, Investments, Direct Investments and Temporary Investments;
- interacting regularly with the Senior Advisors regarding the investment portfolio, investment pipeline and Ethos Capital's liquidity profile;
- participating and being a member of the advisory boards of the TRG SA Funds in which Ethos Capital is invested; and
- monitoring, reviewing and advising on the performance of the investment portfolio.

The Committee has no capacity to conclude or bind the Company to any investments but can only recommend proposed investments to the Board for approval.

Members

The Investment Committee is chaired by Derek Prout-Jones and the other member is Michael Pfaff. Both members are independent non-executive Directors of Ethos Capital.

While King IV recommends for each Committee of the Board to have three members, the Board is satisfied that, given the specific levels of private equity experience required and the specialised nature of the Investment Committee's roles and responsibilities, having only two highly experienced, skilled and knowledgeable members of the Investment Committee is for now appropriate for the Investment Committee to execute its duties effectively.

Social and Ethics Committee

Responsibilities

The Committee is responsible for the social and ethical conscience of the Company, sustainability and stakeholder relationships, and to ensure the Company behaves as a responsible corporate citizen, collectively referred to as ESG. Its duties include:

- reviewing and approving the policies, frameworks and procedures to manage ethics and the avoidance of corruption within the Company;
- reviewing and monitoring progress towards B-BBEE and transformation;
- reviewing and monitoring the policies and procedures to assess compliance with health, safety and environmental laws and regulatory requirements and their impact on investments;
- reviewing and monitoring the Company's policies, approach, procedures, compliance and reporting of its ESG commitments, whether required under any law or regulatory body of any jurisdiction that it operates in, or voluntarily;
- reviewing and monitoring the quality and appropriateness of stakeholder relations; and
- monitoring and assessing the appropriateness of the Company and Ethos' corporate social investment activities and reporting.

Members

The Social and Ethics Committee is chaired by Yuvraj Juwaheer and its other members are Yvonne Stillhart and Derek Prout-Jones. All members are independent non-executive Directors of Ethos Capital.

Other Committees

The Board has given consideration to the need for the Company to have a Nomination Committee, which was not deemed necessary at this stage. This will be considered on an annual basis. Board succession management and the appointment of Directors are considered to be matters for the Board as a whole. Appointments will be made via a formal and transparent procedure in terms of Ethos Capital's Constitution. Directors will be nominated based on their calibre, credibility, knowledge, experience, impact they are expected to have and the time, and attention they can devote to the role.

Attendance at Board and Committee meetings

Attendance by the Directors at Board meetings and Board Committee meetings during the financial year is set out below:

	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	Investment Committee[1]
Number of meetings held	**3**	**3**	**1**	**1**	**2**
Directors' attendance					
Derek Prout-Jones	3	3	N/A	1	2
Kevin Allagapen	3	3	1	N/A	N/A
Michael Pfaff	3	N/A	1	N/A	2
Yuvraj Juwaheer	3	3	1	1	N/A
Yvonne Stillhart	3	N/A	N/A	1	N/A

(1) *The members provide ongoing monitoring and oversight over the investment portfolio, including its performance and pipeline, the liquidity profile of the Company and other strategic updates through communications with the Senior Advisors and their respective roles as members of the relevant advisory boards of the TRG SA Funds, and provide extensive feedback on the above matters to the Board at the respective Board meetings that were held during the year.*

Policy on broader diversity at Board level

As stated above, when new or replacement Directors are considered, the Board assesses the skills of the Board as a whole, to identify any areas that need strengthening.

The Board believes, as a whole, it currently represents an appropriate balance of skills, outlook, experience and knowledge to conduct its roles and responsibilities. The Board also believes that diversity of experience, culture and outlook, including age, gender and race diversity, among Board members is of great importance. It is the Board's policy to give careful consideration to issues of Board balance and diversity when making new appointments and to do so on merit. The Board currently does not have any specific diversity targets, but the Board has to consist of at least two Directors who are resident in Mauritius. The above was not applicable since there were no nominations or appointments of Directors during the year.

Senior Advisors

In order to facilitate TRG SA's rendering of services in terms of the investment services agreement and to support the Board, TRG SA has provided Senior Advisors to fulfil the roles of Ethos Capital's CEO and CFO.

The Senior Advisors support the Board in managing Ethos Capital's business, in particular the following aspects thereof:

- Investment analysis and proposing investment decisions, including Primary Investments, Secondary Investments, Direct Investments and Temporary Investments, to the Investment Committee;
- Active involvement in the Portfolio Companies of Direct Investments, including through representation on the boards of the Portfolio Companies;
- Shareholder engagement, including investor roadshows; and
- Reporting to shareholders, including quarterly NAV reporting and shareholder feedback.

The Senior Advisors who supported the Board during the financial year were Peter Hayward-Butt (CEO) and Jean-Pierre van Onselen (CFO). After eight years as CEO, Peter Hayward-Butt resigned as CEO on 30 June 2024. Anthonie de Beer has assumed the role of CEO from 1 July 2024. Anthonie has been with Rohatyn Management South Africa (Pty) Ltd (and Ethos before that) for over 22 years in various roles including as the Managing Partner for the Large Private Equity Funds. He has intimate knowledge of the Ethos Capital asset base and strategy.

Company Secretary

Ocorian Corporate Services (Mauritius) Limited ("Ocorian") was appointed as Company Secretary on 1 January 2022 (prior to that, Ocorian (Mauritius) Limited acted as Company Secretary since 26 May 2016). Ocorian is a management company and has suitably qualified, competent and experienced staff to discharge its role as Company Secretary and is appropriately empowered to fulfil duties with regard to assistance to the Board, in particular, in relation to applicable Mauritian law and regulation.

The Board has considered the individuals at Ocorian who perform the company secretarial functions, as well as the Directors and shareholders of Ocorian, and is satisfied that there is an arm's length relationship between the Company Secretary and the Board, who can remove the Company Secretary from office. The Board considers Ocorian to be independent of the Board and the Company. Ocorian is licensed by the Financial Services Commission of Mauritius to provide a comprehensive range of financial services to international businesses.

For the year under review, the Board assessed Ocorian's competence, qualifications, experience, independence, suitability and performance and found Ocorian to be competent and suitably qualified to act as Company Secretary for the current and next financial year.

The Company Secretary of Ethos Capital is required to provide the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers. The Company Secretary is also required to ensure the Directors are aware of all laws and regulations relevant to or affecting Ethos Capital and to report to any meetings of the shareholders of Ethos Capital or the Directors, any failure on the part of Ethos Capital or a Director to comply with the Constitution or rules of Ethos Capital or the Mauritius Companies Act.

The Company Secretary acts as an advisor to the Board and plays a pivotal role in ensuring compliance with statutory regulations and King IV. The Company Secretary is also responsible for the induction of new Directors, the tabling of information on relevant regulatory and legislative changes, and support to the Directors regarding their duties and responsibilities. The Directors have unlimited access to the advice and services of the Company Secretary.

The Company Secretary provides guidance to the Board regarding Directors' duties and good governance, and ensures that Board and Board Committee charters are kept up to date. The Company Secretary prepares and circulates Board papers and assists with response handling, input and feedback for Board and Board Committee meetings. Assistance is also provided with the preparation and finalisation of Board and Board Committee agendas based on annual workplan requirements. The Company Secretary assists with the annual review of the performance of the Board, Board Committees and individual Directors.

Directors' emoluments

The emoluments paid to the Directors during the year are disclosed in note 17 of the Notes to the Annual Financial Statements.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible and accountable for the implementation of an effective policy and framework for the identification, recognition and management of risk. In addition, it is responsible for the monitoring and oversight of the appropriateness of financial and business processes, systems and controls, and financial reporting. The Board is supported by the Audit and Risk Committee in the fulfilment of these responsibilities.

A detailed risk framework and register has been developed and implemented to identify, assess, monitor and manage Ethos Capital's risk. The Board and the Audit and Risk Committee regularly review the above and are of the opinion that the internal controls and risk policies in place during the year were sufficiently effective to manage the risks of the Company.

As an investment holding company, Ethos Capital largely relies upon certain services provided by the Investment Advisor and has only one employee, providing administrative and finance support in Mauritius. The Company is therefore largely dependent upon the risk management structures and practices, and the internal control systems of the Investment Advisor. The security of the Company's assets and integrity of its accounting records as well as its compliance with regulatory and legal requirements depend on the effective operation of these systems. The Audit and Risk Committee monitors and discusses the effectiveness of these processes with representatives of the Investment Advisor and has access to internal control reports.

Likewise, the effective management of the Company's investment risk is largely dependent on the Investment Advisor's related structures, practices and systems.

In addition, the governance of IT is largely dependent on the IT-related controls of the Investment Advisor. These controls are reviewed and discussed with the appropriate management levels, largely focusing on business continuity and cyber-risks, and the Board is satisfied that the Company's controls and monitoring of IT governance are appropriate.

The Board and the Audit and Risk Committee are satisfied that, given the nature and size of the Company's operations and the extent of and reliance placed on the service providers, the Company does not currently need an internal audit function. This decision will be reviewed on an annual basis.

The Board and the Audit and Risk Committee are satisfied that they have fulfilled their responsibilities in respect of risk management and internal controls during the year.

The key risks currently facing the Company are set out below.

Risk	Definition of risk	Mitigating controls and process
Financial risks	Risks that could result in changes to the NAV or the Company's performance and/or result in financial loss to the Company, consist of: capital risk, valuation risk, market risk, credit risk and liquidity risk.	• These are fully detailed in note 24 of the Notes to the Annual Financial Statements.
Macro-economic risks and political uncertainty	Risks arising from a deteriorating global economy, the political turmoil, social unrests facing South Africa, increased energy and food prices, and rising interest rates to curb higher inflation further can adversely impact economic activity, the Portfolio Companies' growth and sentiment towards equity markets.	• The Ethos Funds have a mandate to invest up to 25% outside South Africa into the rest of SSA and the portfolio is diversified into different market sectors. • The Board and Investment Committee, alongside Ethos, regularly monitors the exposure and performance of the Funds and Company. • Current exposure, including Co-Investments, to rest of SSA (18%) and International (13%).

Risk	Definition of risk	Mitigating controls and process
Liquidity and over-commitment risks	The risk the Company is unable to meet its short-term obligations by its inability to convert financial assets into cash and cash equivalents, or a lack thereof. The risk that the Company has an aggressive over-commitment strategy resulting in the inability to meet the commitments when due.	• The Board has a Liquidity and Commitment Management policy. • Forecast cash flow and liquidity actively monitored and stress-tested by the Board and Investment Committee, with input from TRG SA. • R700 million revolving facility secured. • Realising liquid underlying listed shares and secondary processes available if required. • Board and Investment Committee proactively exploring options to strengthen their liquidity position.
Share price performance and discount	Risk that underperformance of the Company and poor investor sentiment towards the equity markets in general or the Company could result in the widening of the share price discount to NAVPS.	• The Board monitors the share price and discount on a frequent basis. • Upon requests, regular meetings and/or discussions are held with investment managers and shareholders, and presentations are hosted to ensure they have access to relevant data and are informed about the Company's strategy and the underlying investments' performance.
Regulatory and reporting risks	Compliance with legal and taxation legislation of the jurisdictions where the Company operates, adherence to financial reporting, the Listings Requirements, and the exercise of good governance are all factors critical to the sustainability of the Company.	• Constant monitoring by the Board, with assistance from the sponsor, Mauritian Directors, legal advisors, auditors, and Company Secretary. • All Board meetings are held and decisions made in Mauritius as per requirements. • Place of effective management review performed.
Valuation risks	The risk that the Company's quarterly valuations (derived from the underlying Ethos Funds' NAV, which is individually derived from the Portfolio Companies' valuations) are not representative of current fair value and/or are significantly different to the proceeds that investments subsequently achieve on exits. Risks that valuations are over-conservative.	• TRG SA has a robust quarterly valuation process. • Valuations are prepared under the IPEV guidelines and are considered twice a year by the Funds' advisory committees. • Auditors review the reasonability, accuracy and methodology of the Funds' valuations twice a year. • The Board has access to detailed quarterly General Partner reports that sets out valuations and factors that impact them.

Risk	Definition of risk	Mitigating controls and process
Investment risks	Risks related to poor processes, discipline or information when making investment decisions by TRG SA or the Ethos Capital Board, or not adhering to either's investment strategy. The risk from a lack of investment opportunities, and concentration risks.	• TRG SA and Ethos Capital have experienced Investment Committee members that enforce rigorous assessment, review and due diligence within their investment processes, when considering investment decisions. • TRG SA has a large investment team across its Funds that actively pursues and explores investments. • With focused origination efforts, the investment team maintains a strong and active pipeline. • The portfolio is diversified across Fund-type offerings, geographies and sectors. • Concentration risks within the portfolio are considered by the Board and Investment Committee.
Business continuity, cyber-security and other IT risks	The risk that interruption in the operations of service providers and/or the Company can result in financial loss to the Company. The risk of failure of IT systems, network security and back-up procedures resulting in an irretrievable loss of information or an unacceptably long period during which operations and communications are impaired. The risk that unauthorised access to systems can lead to data breaches that could interrupt the Company's business operations and reputation.	• Since most of the operations are performed by TRG SA, a high level of reliance on TRG SA's systems and processes exist. • TRG SA is a regulated entity and has strong controls in place in relation to: investment decisions, portfolio reviews, financial performance, payments and receipts, safeguarding of investor assets, compliance, and regulation. • Formal annual declarations from TRG SA received in respect to adhering to its controls, compliance and security over systems. • Deloitte & Touche performs an annual Fund controls review that the Board considers, alongside the annual Fund statutory audits, including investment valuations. • TRG SA has a dedicated IT team that manages and monitors access to systems through regular penetration testing and reviews and implements other required safeguards.
ESG reporting	The risk that inadequate reporting on or non-compliance of ESG matters could cause reputational damage to Ethos Capital in the public markets.	• TRG SA has a dedicated ESG team that assesses, monitor and report on all TRG and Portfolio Companies' ESG related matters.

REMUNERATION REPORT

Background

The Board is ultimately responsible for fair and responsible remuneration of the non-executive Directors and employees and ensuring adequate disclosure and reporting of remuneration matters. The Board is supported by the Remuneration Committee in the fulfilment of these responsibilities.

As an investment holding company, Ethos Capital has no executive employees and has no executive management remuneration, as the Senior Advisors are contracted and paid by the Investment Manager. In accordance with the Listings Requirements, the remuneration policy and implementation report will be submitted to shareholders at the AGM for a non-binding advisory vote.

The Board and the Remuneration Committee are satisfied that they have fulfilled their responsibilities in respect of remuneration during the year.

Remuneration policy

Responsibility

The Remuneration Committee is responsible for the remuneration policy.

The Company's Constitution provides that, notwithstanding anything to the contrary contained in the Constitution or any agreement, understanding or arrangement with a Director, the Company shall not be obliged, entitled or required to pay any remuneration to a Director for their services as Directors (which shall exclude salaries of executive Directors) except such remuneration as has been approved by and in terms of an ordinary resolution.

The Remuneration Committee is responsible for proposing the non-executive Directors' remuneration annually to the Board for subsequent shareholder approval at the AGM, and for setting the annual remuneration of employees. The Company only has one employee, providing finance and administrative support in Mauritius. The policy largely focuses on the Directors' remuneration, unless otherwise stated.

General principles

Employees

The aim is to pay any employee a fair, responsible and market-related remuneration in respect of the jurisdiction that the employee operates in. Employees receive a fixed and a variable component; the latter is mainly driven by the Mauritius legal and regulatory requirements.

Directors

The Directors are all independent of the Company and act as non-executive Directors.

The aim of the remuneration policy is to support the Company and Board to attract, recruit and retain high-performing and best-in-class Directors with a long and proven track record within the private equity industry; and offer diverse levels of skill, background and outlook to strengthen the Board.

The terms of a Director's appointment are detailed and recorded in standard contracts of employment.

The remuneration policy is aligned with Ethos Capital's business objectives and strategy, as well as its Code of Ethics and Conduct Policy.

Directors' remuneration should be reflective of their individual responsibilities and time commitment required.

The remuneration should be fair and responsible in the context of the industry, jurisdiction and market that the Company operates in, and should at all times adhere to any legal or regulatory requirements.

Remuneration mix

Ethos Capital has only one component of remuneration for Directors, namely fixed remuneration.

The Directors are paid a fixed annual fee, effective from 1 July of any year until 30 June of the following year, payable quarterly.

Per the Mauritius legislation, a 15% withholding tax is levied on gross fees payable, resulting in a net payment made to the individual Directors.

Any annual increased fees approved will be backdated to 1 July and any shortfall on the amounts paid to that date will be paid to the Directors.

Since July 2019, fees are paid in the currency denominations of the jurisdictions where the Directors reside in recognition of the volatility of the South African Rand to other relevant currency denominations.

The Company does not pay short-term incentives, in line with its long-term business strategy.

No Director is entitled to any pension scheme or other similar benefits that would typically be associated with permanent employment.

Directors are entitled to be reimbursed for expenses reasonably incurred in connection with the performance of their duties and attending Board, general and other related meetings of the Company.

The employee receives a fixed remuneration and an annual bonus, based on the Mauritius statutory requirements.

Fixed remuneration review

The fixed fees are reviewed annually by the Remuneration Committee.

The Remuneration Committee appointed the CFO of the Investment Advisor to act as Independent Advisor to the Remuneration Committee.

On an annual basis, the Independent Advisor is responsible for sourcing independent and relevant benchmark information on non-executive Directors' remuneration of other companies that are relevant in respect of:

- the nature and size of the Company's operations;
- the Company's activities and the jurisdictions that it operates in;
- the investment mandate of the Company;
- number of and type of Committees; and
- number of Board and Committee meetings.

In addition and as a secondary benchmark, fees and relevant information will be sourced from the Company's peer group, if available and relevant.

Each individual Director's involvement, roles and responsibilities, and/or change in responsibilities and time commitments, will be considered to make individual assessments of the comparable levels of the benchmark information most relevant to each.

Where limited data is available, or information is not directly comparable, reasonable and fair assumptions will be made in respect of the time and commitment required in fulfilling specific or standalone roles, the level of skills required and where specific private equity skills are required.

An additional premium/fee is also allocated to Chairpersons of the Committees, in recognition of the added responsibility.

The Independent Advisor will consider all factors and information available including fluctuations, relative to the South African Rand in the respective currency denominations that are relevant to where the Directors render their services and where they reside, to determine a recommended fee per Director. He will submit his recommendations to the Committee, and typically will be invited to present his findings and outcomes at a meeting of the Committee.

Approval

The Committee recommends the proposed annual fee per Director to the Board.

The proposed fees will be reviewed by the Board and, if in agreement, the fees are submitted for shareholder approval at the Company's AGM.

This remuneration policy and an implementation report are to be tabled annually at the AGM for separate non-binding advisory votes by the shareholders.

In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised, the Remuneration Committee will engage with the dissenting shareholders to address their respective objections, by:

- issuing invitations to dissenting shareholders to submit written submissions of their objections to the policy and/or the report;
- considering and addressing any objections; and
- reporting back to dissenting shareholders.

The Remuneration Committee may also arrange meetings with dissenting shareholders to discuss and clarify their objections.

Implementation report

The annual remuneration paid to the non-executive Directors, representing the fees paid in respect of the fulfilment of their roles as non-executive Directors, for the financial years ended 30 June 2024 and 2023 respectively, is noted below:

	30 June 2024		30 June 2023
	Currency '000	R'000	R'000
Fees for services:			
Derek Prout-Jones	ZAR1,640	1,640	1,640
Kevin Allagapen	US$25	475	443
Michael Pfaff	ZAR1,290	1,290	1,290
Yuvraj Juwaheer	US$25	475	443
Yvonne Stillhart	CFH45	962	840
		4,842	4,656

The 2024 fees were approved by the shareholders at the Company's AGM held in November 2023, and the base currencies were unchanged compared to the 2023 fees, as it has been since 2020.

SUSTAINABILITY AND SOCIAL AND ETHICS REPORT

The Company is an investment holding company governed and directed by a non-executive Board and has an investment services agreement with the Investment Advisor that sets out the day-to-day responsibilities of the latter, supporting the Board. The Investment Advisor has seconded certain advisors to fulfil the roles of CEO and CFO. The Company has no executive employees and has a limited direct impact on the environment.

Ethos Capital's responsible investment and ESG approach

The Company may drive sustainability and its social and ethical footprint indirectly through the activities of its Portfolio Companies. The selection of an Investment Advisor who has the ability to include, as contractually agreed to, adherence to certain ethical principles and culture, as well as analysing responsible investing ("RI") and sustainability as part of the investment process, is a critical decision of the Board.

The Ethos Capital Board is supportive of RI and sustainability and has taken note of the Sustainability Disclosure Guidance and Climate Disclosure Guidance documents that were issued by the JSE in June 2022 and, while not fully included in this report, aims to implement, where relevant and subject to available information, such disclosures in its future Integrated Annual Reports. In addition, as noted in the Governance report on page 47, Ethos Capital as an investment holding entity does not have and will not conduct traditional operations. Therefore, not all the traditional corporate governance structures and practices envisaged by King IV, the JSE ESG Disclosure guidance or other ESG-related industry bodies' disclosure are appropriate to Ethos Capital and its business as a – foreign - investment entity. As noted, the Company has no executive employees or directors that are remunerated but only five non-executive Directors (only one Mauritius-based finance and administrative support employee), and hence certain specific categories under standard ESG disclosures, for example, "Labour" will not be applicable to the Company, as will "Health and Safety" aspects in relation to employees.

Since its listing in 2016, the Company has had no litigation or claims against it or its Board of Directors.

Other relevant categories are covered throughout the Integrated Annual Report and Annual Financial Statements.

Ethos Capital's financial contributions to Education

Ethos has supported the promotion of access to education and training in support of the "Right to Education" under the UN Sustainable Development Goal ("SDG") 4. Across the portfolio, 47,301 employees received training during the reporting period, with a total of 35,578 days of training provided. During the current financial year, Ethos Capital also contributed to the following Mauritian-based organisations in terms of SDG 4:

Adolescent Non-Formal Education Network ("ANFEN")

Founded in 2000, ANFEN has a special focus on adolescents with learning difficulties and psychosocial issues. By adapting teaching methodologies to improve learning outcomes and quality of education and training, learners are equipped with knowledge, skills and personal wellbeing to enable integration and contributions to their sustainable development.

One of the initiatives that benefited from Ethos Capital's contribution is the Ecole Culinaire Aline Leal ("ECAL") project that provides training opportunities to 21 students in the field of food production and pastry. It specifically focuses to bridge the gap and provide support to students who may have faced challenges in being integrated in traditional schooling due to factors such as poverty or family issues.

Association d'Alphabetisation de Fatima ("Fatima")

Fatima is a non-government institution offering holistic education to 120 youths, between the ages of 12 and 18, that are "drop-outs" from the mainstream education system. Their objective is to identify talent, develop it through academic and practical skills teaching, and support the candidates with work placements in the community.

TRG's active RI and ESG model and philosophy

From pre-acquisition due diligence to Portfolio Company exit, ESG parameters are assessed throughout TRG's investment process which includes TRG SA's own RI Policy and its ESG Management System ("ESGMS"). The diagram on page 61 of this report summarises the ESGMS process that is implemented across the investment lifecycle for TRG SA Portfolio Companies. TRG SA continues to use the IFC Performance Standards as its risk reporting and mitigation framework but is also increasingly looking to measure and quantify its impact on society through linking to the UN SDGs. Mindful of the need to track robust and defensible impact data, TRG SA continues to work with the Portfolio Companies to understand their contributions to the key identified UN SDGs for Ethos, namely, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities and SDG 16: Peace, Justice and Strong Institutions. Based on the TRG SA Funds that Ethos Capital are invested in, TRG SA can demonstrate the following commitments to the SDGs.

5 GENDER EQUALITY	**Target 5.5:** ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.	**21,214 (42%)** women in total portfolio workforce and **20%** female representation in senior leadership across the portfolio.
8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.5:** by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value.	**49,976** direct jobs by 20 Portfolio Companies in 2023.
10 REDUCED INEQUALITIES	**Target 10.2:** Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	**88%** of the Portfolio Companies have a Diversity, Equity and Inclusion policy.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Target 16.5:** substantially reduce corruption and bribery in all their forms.	**96%** of the Portfolio Companies have an anti corruption policy.

While TRG's primary objective is to maximise stakeholder value by generating positive returns, TRG SA recognises the importance of environmental, social and governance matters, and their contribution to the value of businesses today especially in the broader South African and SSA community. Recognising the need to outwardly demonstrate TRG's commitment to RI, the TRG Group became a signatory to the UN Principles for Responsible Investment ("UN PRI") in 2018, while TRG SA became a signatory in 2022.

TRG SA monitors, reviews and analyses the ESG performance of its Portfolio Companies in Africa who complete its annual ESG questionnaire. In addition to the annual ESG questionnaire, TRG SA seeks to maintain ongoing communication and training for Portfolio Companies and attendance of Social and Ethics Committee meetings. Data collected from the annual questionnaire is used for reporting purposes for TRG SA investors and used to inform internal benchmarking exercises across the portfolio.

ESG matters present some challenges but at the same time opportunities for Portfolio Companies. In acknowledgement of this, TRG SA has a dedicated ESG and impact team who may support the investment teams in reviewing, assessing and reporting on certain ESG matters.

(1) *Ethos Capital is invested in the main TRG SA Funds, being EF VI, TRG AF VII, TRG AAiF I, EMMF I and TRG MP3. It also participated in Co-Investments alongside the main TRG SA Funds.*

INSTITUTIONALISED INVESTMENT PROCESS

This is the general investment process for TRG's private markets impact investments. However, the process is adapted as per the requirements of a specific mandate.

	Screening	Initial due diligence	Term sheet discussions	Preliminary investment Review	External due diligence	Final investment Review	Investment closing and funding	Portfolio monitoring	Exit investment
Tool / Committee	T	T		IC	IC	IC	IC	T, IC	IC
Memo				PIR MEMO		FIR MEMO			DIR MEMO
Description	Proprietary approach to sourcing and initial analysis of opportunities; evaluation of alternative structures; valuation analysis.	Deep dive into target business' financials, meeting and evaluation of management teams, analysis of market dynamics, growth potential, Level 1 ESG due diligence.	In depth-group discussion and feedback; initial pricing and key deal terms; financial, legal and business due diligence.	Preliminary review of the opportunity, approval of key terms of the deal and due diligence budget by the Investment Committee.	Engage external advisors for accounting, legal, ESG and if necessary specific industry due diligence.	Review of due diligence findings and changes to term sheets.	Funding Completion of deal documents; capital call to investors.	Hands on value creation activities, quarterly valuations, and monitoring of financial and operating performance.	Proposal to sell, proceeds are returned to the investor or debt is repaid.
ESG Focus	ESG screening and categorisation	Level 1 ESG Due Diligence In-house due diligence to identify the investment's ESG risks and opportunities based on it's industry. Site visits might occur at this stage.		Present most important findings from due diligence. If applicable confirm budget.	Level 2 ESG Due Diligence. Conduct in-depth due diligence for high-risk investments	ESG Action Plan	Integrate ESG clauses and commitments as applicable.	ESG Data Collection. Implementation and monitoring of ESG Action Plan.	Exit Report
Impact Focus (Only for Impact-focused Mandates)	Impact Screening	Impact Assessment		Present findings from Impact Assessment.	External Impact due diligence (if needed)	Impact Action Plan.	Integrate Impact clauses and commitments as applicable.	Impact Data Collection	Exit Report

Note: The proposed general process for impact investments varies per mandate and there is no guarantee that each step will be followed for each investment. The investment process is subject to change, without notification, in TRG's sole discretion.

T — TRG has a proprietary tool to implement procedure in the specific step.

IC — Investment Committee.

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY AND APPROVAL

The Directors are responsible for the maintenance of adequate accounting records and for the preparation, integrity and objectivity of the Group's Annual Financial Statements and the other information contained in this Integrated Annual Report.

The Directors are also responsible for the Company's systems of internal financial controls and accounting and information systems to provide reasonable, but not absolute, assurance regarding the safeguarding of assets and to reduce the risk of error, fraud or loss.

The Audit and Risk Committee meets with the external auditor to consider internal controls, the audit process and financial reporting. The external auditor has unrestricted access to all records, related information, Senior Advisors and the Audit and Risk Committee.

The Annual Financial Statements have been prepared in accordance with: IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"); the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the Listings Requirements of the JSE; and the requirements of the Mauritius Companies Act, Act No. 15 of 2001 ("the Mauritius Companies Act"), insofar as they are applicable to Global Business Licensed companies.

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

These Annual Financial Statements were compiled under the supervision of the Chief Financial Officer ("CFO"), Jean-Pierre van Onselen, CA(SA). The Directors are satisfied that the information included in the Annual Financial Statements fairly presents the Group and Company's results and financial position at the year-end.

The Annual Financial Statements were audited by the independent auditor, Deloitte & Touche. The independent auditor's unmodified report is presented on page 71.

Approval of the Annual Financial Statements

The Directors' Report on pages 67 to 70 and the Annual Financial Statements and the notes to the Annual Financial Statements set out on pages 79 to 119, were approved by the Board and are signed on its behalf by:

Yvonne Stillhart
Chairperson of the Board

Kevin Allagapen
Independent non-executive Director

27 September 2024

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") submits below its report for the financial year ended 30 June 2024.

Responsibilities of the ARC

The responsibilities of the ARC are detailed on page 50 of the Corporate Governance Report. In discharging its responsibilities, the ARC, among other functions:

- examined and reviewed the Annual Financial Statements and other financial announcements to ensure balanced and fair presentation consistent with the application of appropriate accounting policies and standards;
- reviewed and considered the appropriateness of the going concern basis in preparing the Annual Financial Statements; and
- considered material risks and internal controls to the financial reporting and fraud.

Internal control and financial reporting

The ARC is responsible for assessing the systems of internal controls relating to financial and business processes and financial and reporting systems of the Company. The Investment Advisor provides certain administrative and back-office services to Ethos Capital; hence the Company is largely reliant on its systems and controls. The ARC had discussions with representatives of the Investment Advisor, reviewed their internal control processes and procedures, reviewed the management accounts and considered the controls of the controlled entity, and held discussions with the external auditor on the results of their audit of the Group. The ARC is of the opinion that the systems of internal financial and business controls and financial reporting in relation to the Company and its subsidiary are effective and form a basis for the effective preparation and reporting on the Group and Company's financial statements.

Risk management

The ARC assists the Board to ensure a co-ordinated approach is applied to provide assurance on the recognition and management of significant risks facing the Company. The ARC is responsible for the development and periodic review and updating of a policy and framework for risk management and integration of the framework into the day-to-day activities of the Company and the activities provided by the Investment Advisor. The ARC believes the Company's systems and risk management processes are sufficiently effective to manage the risks of the Company. The Committee considered the key audit matters that are noted in the report of the external auditor on pages 71 to 74 of the Annual Financial Statements.

Internal audit

The ARC considered the need for an internal audit function and concluded that, given the nature of the Company's business and operations and the services provided by the Investment Advisor, an internal audit function is currently not required. This will be considered again in the next financial year.

Membership and meetings

The members of the ARC who served during the year are all independent non-executive Directors and are noted on page 51 of the Corporate Governance Report. The ARC met three times during the year. The CEO, CFO and representatives of the external auditors attended some of the ARC meetings by invitation.

Expertise and experience of the CFO

The ARC has considered and satisfied itself of the appropriateness of the expertise and experience of the CFO, Mr Jean-Pierre van Onselen CA(SA), as well as the adequacy of the resources of TRG SA that are involved with the finance function to the extent that it relates to Ethos Capital.

External auditor and its report

The ARC considered and approved the audit fees and engagement of the external auditor, reviewed the external audit plan and subsequent report on the Annual Financial Statements, and considered for approval any non-audit services. There were no non-audit services during the financial year. The ARC received all relevant information, as required by the Listings Requirements, from the auditor to assess the suitability of the reappointment of Deloitte & Touche and the designated individual partner, Lito Nunes. In addition, the ARC discussed the matter of their independence with the external auditors and satisfied itself regarding the independence of Deloitte & Touche South Africa and Deloitte Mauritius, respectively.

Up to the financial year-ended 30 June 2024, Deloitte & Touche has served as the external auditor of the Company for the past eight financial years since listing. IRBA previously issued a rule prescribing that auditors of public interest entities in South Africa must comply with mandatory audit firm rotation every 10 years, with effect from 1 April 2023. This rule has now been by declared unlawful by the Supreme Court of Appeal. Despite this change, the ARC has reviewed the tenure of Deloitte & Touche and was satisfied that there was not current need to rotate the external auditor.

Recommendation to the Board

The ARC has reviewed and considered the Integrated Annual Report and the Annual Financial Statements and has recommended it for approval by the Board.

The ARC and the Board are satisfied that they have fulfilled their responsibilities as outlined in the Committee charter, during the year.

Kevin Allagapen

Chairperson of the Audit and Risk Committee

27 September 2024

CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, AND DIRECTORS' RESPONSIBILITY STATEMENT

Each of the Senior Advisors, fulfilling the roles of the CEO and CFO respectively, and the Directors that serve on the ARC, whose names are stated below, hereby confirms that:

- the Annual Financial Statements set out on pages 75 to 119, fairly present in all material respects the financial position, financial performance and cash flows of EPE Capital Partners Ltd in terms of IFRS Accounting Standards as issued by the IASB;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated controlled entity has been provided to effectively prepare the Annual Financial Statements of EPE Capital Partners Ltd;
- the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as Senior Advisors or Directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the ARC and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving the Senior Advisors or the Directors.

Anthonie de Beer
Chief Executive Officer

Jean-Pierre van Onselen
Chief Financial Officer

Kevin Allagapen
Chairperson of ARC and Director

Yuvraj Juwaheer
Member of ARC and Director

Derek Prout-Jones
Member of ARC and Director

27 September 2024

DIRECTORS' REPORT

The Board has pleasure in presenting its report to shareholders, together with the audited Annual Financial Statements for the year ended 30 June 2024.

Nature of business

EPE Capital Partners Ltd ("Ethos Capital" or "the Company") is registered and incorporated in Mauritius as a public company under the Mauritius Companies Act. As an investment holding company, it offers shareholders long-term capital appreciation by indirectly investing in a diversified portfolio of unlisted private equity-type investments ("Portfolio Companies") through participating in Funds or Co-Investments. These investments were managed by Ethos Private Equity (Pty) Limited ("Ethos") since July 2016.

On 1 April 2023, The Rohatyn Group ("TRG Group") acquired the business of Ethos. TRG Group is a specialised global asset management firm focused on investment solutions in emerging markets and real assets that is headquartered in New York. Rohatyn Management South Africa Proprietary Limited ("TRG SA") has assumed responsibility as the sole Investment Advisor to Ethos Capital.

Performance overview

The global economy has continued to face headwinds over the past year, with persistent inflation, high interest rates and geopolitical uncertainties (particularly Ukraine and Gaza/Israel) continuing. Focusing on South Africa, for the most part of the financial year, the economic landscape presented challenges. GDP growth was constrained, loadshedding continued and there was significant political uncertainty in the run up to the South African elections. This translated into low levels of consumer, business and investor confidence. The final quarter of the financial year however ended better than anticipated. Many developments surprised on the upside starting with the suspension of loadshedding in March 2024. The national elections in May ushered in a Government of National Unity ("GNU") and the largely peaceful transition from an ANC controlled government to the GNU has over a short period of time generated a renewed sense of optimism regarding economic reforms and governance. We are also starting to see early signs of enhanced business, consumer and investor confidence in South Africa.

The unlisted portfolio achieved a gross return of 4% during the year following relatively strong performance across most of the Portolio Companies. The unlisted return was predominantly driven by valuation gains in Gammatek, Twinsaver, Primedia, E4 and TymeBank and realisations within Synerlytic and Crossfin. Synerlytic has entered into binding agreements to sell its assets: The Particle Group was realised in April 2024 and the sale of Wearcheck was subject to regulatory approval and completed in August 2024. Crossfin agreed the sale of its Adumo business that, subject to regulatory approval, is expected to complete in October 2024. These assets, including the realisation of Neopak and The Beverage Company in Ethos Fund VI, were realised at premiums to their pre-transaction carrying values.

Optasia's valuation was negatively impacted by a 3% strengthening of the ZAR against the US$, as well as large devaluations of some of the local curriencies that it operates in, especially the Nigerian Naira that depreciated significantly against the US$ over the year. This resulted in a downward adjustment to Optasia's maintainable earnings that are used to determine its valuation at 30 June 2024. Furthermore, there were write-downs in the valuations of Echo and Kevro.

The listed portfolio decreased by 52%, with the share prices of the shares in Brait and MTN Zakhele Futhi decreasing from 30 June 2023 by 73% and 27% respectively.

Financial overview

A review of the operational and financial results of Ethos Capital is included in the Chairperson's Report and CEO's Review on pages 7 to 12 of the Integrated Annual Report.

The Group, representing the Company and Black Hawk Private Equity Proprietary Limited ("Black Hawk"), which is a subsidiary of the Company, had a net asset value ("NAV") of R1.784 billion at 30 June 2024 (2023: R2.172 billion), representing a NAV per share ("NAVPS") of R7.03 (2023: R8.56). Total assets of the Group amounted to R2.328 billion at 30 June 2024 (2023: R2.708 billion).

Black Hawk, previously a controlled entity of the Company, was formally acquired by Ethos Capital on 28 June 2024 and is now treated as a subsidiary of the Company.

The Company ended its financial year with a NAV of R1.811 billion (2023: R2.358 billion), which equates to a NAVPS of R6.91 (2023: R8.82). The Company has recognised the expected credit loss on the financial guarantee provided to Black Hawk, that has been valued at fair value under the guidance of IFRS 9: Financial Instruments. This attributed a slightly higher fair value than the actual debt liability that has been recognised to 30 June 2024 in the Group Annual Financial Statements.

The Group achieved a comprehensive loss over the financial year of R0.388 billion (2023: comprehensive income of R5.191 million).

Trading statements

Due to the nature of the business conducted by the Company, the Board has decided to adopt the NAVPS as the relevant measure for trading statement and short-form announcement purposes.

The sustainability of the NAVPS and growth thereon over a longer period of time is considered a more appropriate measurement of financial performance, in comparison to headline earnings per share and earnings per share. This approach has been approved by the JSE.

Dividends

No dividend has been declared for the financial year ended 30 June 2024 (2023: Rnil).

Share capital

The Company restructured its share capital on 5 August 2016, and listed its A Ordinary Shares on the JSE. In February 2020, the Company completed a Rights Issue and issued a further 100,000,000 A Ordinary Shares at R7.50 per share.

The issued share capital of the Company as at 30 June 2024 is set out in note 8 of the Notes to the Annual Financial Statements.

As at 30 June 2024, the Company had 274,895,099 A Ordinary Shares in issue (net of 12,614,901 treasury shares) and 10,000 unlisted B Ordinary Shares in issue. On a consolidated basis, the Group had 261,395,099 A Ordinary Shares in issue, net of 26,114,901 treasury shares (including 13,500,000 A Ordinary Shares held by Black Hawk that are treated as treasury shares).

Share price, discount to NAV and capital strategy

Ethos Capital's shares trade on the JSE at prices that are independent of the Company's NAV; hence, the share price will not necessarily track the NAV performance. In theory, the share price reflects the market and shareholders' sentiment towards the NAV, future changes in it and performance expectations. During the year, the Company's shares traded at a discount to NAV. The closing share price at 30 June 2024 was R4.21 (2023: R4.79).

As announced in November 2023, the Board had conducted a review of the Ethos Capital strategy that included confidential engagement with some of the largest shareholders to obtain views on strategic options. This is done periodically to ensure alignment between the Board and shareholders on the strategic direction for the Company. The conclusion from these engagements is that Ethos Capital, as an investor in underlying Funds: will continue to support value creation plans of the TRG SA Funds, Co-Investments and the underlying Portfolio Companies to support the Growth in NAV and NAVPS; will not make any new Fund commitments or Co-Investments; encourage realisations within and distributions from the TRG SA Funds in an orderly way; and return capital to shareholders in the most optimal manner once Ethos Capital receives these distributions.

The realisation program will result in proceeds being received as assets are sold by the underlying TRG SA Funds. The board will continue to assess the optimal manner to return capital to shareholders which will include dividends, share buybacks and other mechanisms of capital return. Returning capital to shareholders will occur once realisation proceeds have been used to repay the existing Ethos Capital debt down to a sustainable level and taking into account operating funding needs of the business.

Repurchase of shares and authority

The cumulative total of A Ordinary Shares purchased to date and held in treasury at 30 June 2024, is 12,614,901 (2023: 12,614,901), representing 4.5% of the issued A Ordinary Shares of the Company (excluding the 7,500,000 encumbered shares).

The Company has a general authority to repurchase up to 5% of its A Ordinary Shares, in compliance with the applicable provisions of the JSE Listings Requirements and the Mauritius Companies Act. This authority will expire at the AGM in November 2024. At this AGM, shareholders will be requested to approve a new general authority to repurchase up to a further 53,477,019 A Ordinary Shares, until the conclusion of the next AGM. This represents 20% of the A Ordinary Shares in issue, net of treasury shares and the encumbered shares, at the beginning of the financial year ending 30 June 2025.

Corporate governance

Details regarding the Company's compliance and commitment to corporate governance practices are provided in the Corporate Governance Report on page 47 and a specific register on the application of King IV is available at https://ethoscapital.mu/investors/governance/.

The Company is in compliance and is operating in accordance with its Constitution, the Mauritius Companies Act and all other applicable regulatory requirements.

Risk management and internal controls

The Board believes the Company's systems and risk management processes are sufficiently effective to manage Ethos Capital's risks and the systems of internal financial and business controls and financial reporting are effective and form a basis for the preparation of reliable financial statements. Further information is provided on pages 51 and 54 of the Integrated Annual Report.

Board of Directors

The Board of Directors consists of five members who are all independent non-executive Directors. There were no changes to the Directors during the year. Further details are provided on pages 48 to 50 of the Corporate Governance Report section in the Integrated Annual Report.

Directors' emoluments

The Remuneration Committee is responsible for the emoluments of the non-executive Directors. Details of the emoluments are provided in note 17 of the Notes to the Annual Financial Statements and the Remuneration Report is presented on pages 57 to 58 of the Corporate Governance Report in the Integrated Annual Report.

Subsequent events

On 24 June 2024, the Company announced that in line with its value unlock and maximisation strategy, the Board had decided to unbundle the Brait ordinary shares that were held indirectly by Ethos Capital through TRG AF VII and TRG DI, to its shareholders.

TRG AF VII and TRG DI respectively distributed Ethos Capital's proportion of the Brait ordinary shares held on 11 July 2024, whereafter the Company unbundled the shares to its shareholders on 22 July 2024. The total value of the unbundled Brait shares on the record date (19 July 2024) was R121.4 million, equating to a reduction of the Ethos Capital NAVPS of R0.48. The Brait shares traded at R0.94 per share at that time of the unbundling.

There have been no other material events after the reporting date that would require disclosure or adjustment to the Annual Financial Statements for the year ended 30 June 2024.

Board evaluation

The Board reviewed the performance of the Directors during the reporting year, the Board as a whole and the Board Committees, and deemed the individual and collective performances satisfactory and is satisfied that the Board and its Committees have fulfilled their responsibilities in accordance with the respective charters.

Company Secretary

Until 31 December 2021, the Company Secretary was Ocorian (Mauritius) Limited. Following an internal reorganisation of the Ocorian Limited Group, the Company Secretary was changed effective 1 January 2022 to Ocorian Corporate Services (Mauritius) Limited ("Ocorian"), a sister company of Ocorian (Mauritius) Limited.

The Board assessed Ocorian's competence, qualifications, experience, independence, suitability and performance and found Ocorian to be competent and suitably qualified to act as Company Secretary.

Auditor

The Directors recommend the auditor, Deloitte & Touche and Mr Lito Nunes, as the designated audit partner, who have expressed their willingness to continue in office, be reappointed at the forthcoming AGM.

Going concern statement

The Board of Directors has a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future and be able to meet its outstanding commitments. Accordingly, the Board adopted the going concern basis in preparing the Annual Financial Statements.

Directors' interests in the Company

The Directors' interests in the share capital of the Company at 30 June 2024 are disclosed in note 26 of the Notes to the Annual Financial Statements.

Shareholders and shareholdings

The analysis of public and non-public shareholders and significant shareholdings in the Company at 30 June 2024 are detailed in note 27 of the Notes to the Annual Financial Statements and the spread of shareholders on page 120.

Signed on behalf of the Board of Directors:

Yvonne Stillhart
Chairperson of the Board

Kevin Allagapen
Independent non-executive Director

27 September 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EPE Capital Partners Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of EPE Capital Partners Limited (the Group and Company) set out on pages 75 to 119, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 30 June 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Valuation of unlisted investments (Consolidated and Separate Financial Statements)

The Group has indirect interests in a diversified pool of unlisted investments ("Portfolio Companies") by investing into Fund Limited Partnerships ("Funds") managed by Rohatyn Management South Africa Proprietary Limited ("TRG SA"). The Group also has Co-investments in certain of the Portfolio Companies alongside the Funds.

The fair value of these investments is determined using IFRS 13 – *Fair Value Measurement* and International Private Equity and Venture Capital Valuation ("IPEV")

Guidelines. These investments are disclosed in note 4 "Unlisted Investments at Fair Value" of the Notes to the consolidated and separate financial statements with a total value of R2,309 million.

The directors receive year-end net asset value ("NAV") statements of the Funds from TRG SA. The NAV amounts are primarily calculated based on the individual fair values of each Fund's underlying Portfolio Companies, which are valued by TRG SA. The "Earnings Multiple" methodology employed by TRG SA and described in note 3.10 "Critical Judgements and Accounting Estimates" of the notes to the consolidated and separate financial statements, to value the underlying Portfolio Companies is subject to various judgements.

In determining a reasonable valuation multiple, TRG SA develops a benchmark multiple with reference to the multiples of comparable companies. The benchmark multiple is adjusted after taking into account various factors that differ between the Portfolio Company and the comparable companies.

We have identified the significant judgements applied to the maintainable earnings, the earnings multiple and adjustments to these, to be a key audit matter due to the sensitivity of the adjustments and the degree of subjectivity involved.

The disclosure associated with the valuation of unlisted investment is set out in the consolidated and separate annual financial statements in Note 4, Unlisted Investments at Fair Value, and Note 24, Financial risk factors and instruments.

How the matter was addressed in the audit

In our assessment of the Group and company's determination of the fair value of unlisted investments, we assessed the assumptions and inputs used in the respective valuations.

Our audit procedures included the following:

We performed a sensitivity analysis of the valuations to changes in key inputs;

We assessed and assigned different levels of risk of material misstatement for each portfolio investment based on the magnitude and likelihood of material misstatement. We modified the nature and extent of testing applied to appropriately respond to the different risk levels attributed to each portfolio investment valuation;

- We evaluated the design and implementation of key controls over the Group and Company's investment valuation process, with the specific focus on those controls mitigating the risk of fair value inaccuracies.;
- We obtained an understanding of the methodology used and assessed whether the Group and Company's primary valuation technique is aligned with appropriate industry guidance (International Private Equity and Venture Capital Valuation Guidelines) and the requirements of IFRS 13 Fair Value Measurement;
- We reviewed the appropriateness and consistency of the comparable companies and the weightings applied in determining the earnings multiples applied in determining the fair value of the unlisted investments;
- We critically assessed the discounts or premiums applied to the comparable companies' weighted average multiples to confirm these adjustments are fully supported, of sound business logic and fall within acceptable industry norms, by considering various risk adjustment factors such as country risk, size, and growth adjustments, marketability discounts and control premiums;
- We critically assessed the adjustments made to actual reported earnings to arrive at the maintainable earnings figures used in determining the fair value of unlisted investments;
- We tested a sample of data inputs used in the valuation model of the investments' valuation to ensure the accuracy, reliability and completeness of these inputs;
- We tested the mathematical accuracy of the underlying valuation calculations; and
- We reviewed the disclosure of the unlisted investments in the consolidated and separate financial statements to ensure the requirements of IFRS are met.

Based on the procedures performed, we found the judgement made by the company reasonable and assessed the related disclosures as appropriate

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ethos Capital Integrated Annual Report for the year ended 30 June 2024", which includes Directors Report as per Companies Act of South Africa and Directors' responsibility and approval; the Report from the Company Secretary; the Report of the Audit and Risk Committee; the Chief Executive Officer, Chief Financial Officer and Directors Responsibility Statement; the Spread of the Shareholders report; and the Integrated Annual Report, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Mauritius, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of EPE Capital Partners Ltd and the Group for eight years.

Deloitte & Touche
Registered Auditor
Per: Nunes, Lito
Partner

27 September 2024

5 Magwa Crescent
Waterfall City
Johannesburg
2090

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes	Group 30 June 2024 R'000	Group 30 June 2023 R'000	Company 30 June 2024 R'000	Company 30 June 2023 R'000
Assets					
Non-current assets					
Unlisted investments at fair value	4	2,309,219	2,688,078	2,309,219	2,688,078
Total non-current assets		2,309,219	2,688,078	2,309,219	2,688,078
Current assets					
Other assets and receivables	5	4,087	5,394	4,085	5,392
Income tax receivable	6	–	3,396	–	3,396
Cash and cash equivalents	7	15,005	11,236	14,549	10,777
Total current assets		19,092	20,026	18,634	19,565
Total assets		2,328,311	2,708,104	2,327,853	2,707,643
Equity and liabilities					
Capital and reserves					
Issued capital	8	2,271,272	2,271,272	2,406,272	2,406,272
Accumulated losses	9	(486,895)	(99,153)	(595,196)	(48,141)
Total equity		1,784,377	2,172,119	1,811,076	2,358,131
Non-current liabilities					
Borrowings	10	522,465	526,473	312,220	340,000
Financial guarantee	11	–	–	183,089	–
Total non-current liabilities		522,465	526,473	495,309	340,000
Current liabilities					
Other liabilities and payables	12	21,364	9,512	21,363	9,512
Income tax payable	6	105	–	105	–
Total current liabilities		21,469	9,512	21,468	9,512
Total equity and liabilities		2,328,311	2,708,104	2,327,853	2,707,643
Net asset value		1,784,377	2,172,119	1,811,076	2,358,131
Net asset value per share (Rand)	21.2	7.03	8.56	6.91	8.82

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Group		Company	
		Year ended 30 June 2024 R'000	**Year ended 30 June 2023 R'000**	**Year ended 30 June 2024 R'000**	**Year ended 30 June 2023 R'000**
Income					
Changes in fair value of investments through profit or loss	13	(303,903)	69,833	(303,903)	69,833
Investment income	14	859	759	840	744
Net foreign exchange (loss)/gain	15	(3)	11	(3)	11
Total income		(303,047)	70,603	(303,066)	70,588
Expenses					
Administration fees	16.1	(29)	(23)	(29)	(23)
Legal and consultancy fees	16.2	(4,531)	(581)	(4,531)	(581)
Other operating expenses	16.3	(9,743)	(8,787)	(9,720)	(8,765)
Finance costs	16.4	(68,835)	(54,510)	(45,063)	(36,287)
Other losses	16.5	–	–	(183,089)	–
Total expenses		(83,138)	(63,901)	(242,432)	(45,656)
(Loss)/profit before tax		(386,185)	6,702	(545,498)	24,932
Income tax expense	18	**(1,557)**	**(1,511)**	(1,557)	(1,511)
(Loss)/profit for the year		(387,742)	5,191	(547,055)	23,4 1
Other comprehensive income for the year		–	–		–
Total comprehensive (loss)/income for the year		(387,742)	5,191	(547,055)	23,421

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

Group	Notes	Year ended 30 June 2024 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2023		2,271,272	(99,153)	2,172,119
Total comprehensive loss for the year	9	–	(387,742)	(387,742)
Balance at 30 June 2024		2,271,272	(486,895)	1,784,377

	Notes	Year ended 30 June 2023 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2022		2,291,272	(104,344)	2,186,928
Buyback of A Ordinary Shares		(20,000)	–	(20,000)
Total comprehensive income for the year	9	–	5,191	5,191
Balance at 30 June 2023		2,271,272	(99,153)	2,172,119

Company	Notes	Year ended 30 June 2024 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2023		2,406,272	(48,141)	2,358,131
Total comprehensive loss for the year	9	–	(547,055)	(547,055)
Balance at 30 June 2024		2,406,272	(595,196)	1,811,076

	Notes	Year ended 30 June 2023 Issued capital R'000	Accumulated losses R'000	Total equity R'000
Balance at 1 July 2022		2,426,272	(71,562)	2,354,710
Buyback of A Ordinary Shares		(20,000)	–	(20,000)
Total comprehensive income for the year	9	–	23,421	23,421
Balance at 30 June 2023		2,406,272	(48,141)	2,358,131

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Group Year ended 30 June 2024 R'000	Group Year ended 30 June 2023 R'000	Company Year ended 30 June 2024 R'000	Company Year ended 30 June 2023 R'000
Cash flows from operating activities:					
Cash used in operations	20.1	(9,620)	(14,220)	(9,598)	(14,198)
Interest received from cash and bank balances	14	859	759	840	744
Finance costs paid	16.4	(45,063)	(36,287)	(45,063)	(36,287)
Income tax received/(paid)	6	1,944	(1,589)	1,944	(1,589)
Net cash used in operating activities before investment activities		(51,880)	(51,337)	(51,877)	(51,330)
Cash flows from investment activities					
Net cash flow from non-current investments		83,432	31,680	83,432	31,680
Payments to acquire non-current investments	4	(9,496)	(184,407)	(9,496)	(184,407)
Proceeds on disposal	4	56,216	211,168	56,216	211,168
Interest received		60,145	34,611	60,145	34,611
Dividends received		18,004	22,178	18,004	22,178
Withholding tax paid	13	(6,139)	(4,205)	(6,139)	(4,205)
Investment-related expenses paid		(35,298)	(47,665)	(35,298)	(47,665)
Net cash from investment activities		83,432	31,680	83,432	31,680
Cash generated by/(used in) operating activities		31,552	(19,657)	31,555	(19,650)
Cash flows from financing activities:					
Payment for buyback of A Ordinary Shares		–	(20,000)	–	(20,000)
Proceeds from borrowings		10,000	160,000	10,000	160,000
Repayment of borrowings		(37,780)	(112,235)	(37,780)	(112,235)
Net cash (used in)/from financing activities		(27,780)	27,765	(27,780)	27,765
Net increase in cash and cash equivalents		3,772	8,108	3,775	8,115
Cash and cash equivalents at the beginning of the year		11,236	3,117	10,777	2,651
Effects of exchange rate changes on the balance of cash held in foreign currencies	15	(3)	11	(3)	11
Total cash and cash equivalents at the end of the year	7	15,005	11,236	14,549	10,777

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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 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 subsidiary.

2 Application of new and revised IFRS Accounting Standards

The following new and revised standards and interpretations are relevant to the Group and have been adopted in these Group (consolidated) and Company Annual Financial Statements (collectively referred to as "Annual Financial Statements"). Their adoption has not had any significant impact on the amounts reported in these Annual Financial Statements. 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 17	*Insurance Contracts*	1 January 2023
Amendments to IFRS 17	*IFRS 17*	1 January 2023
Amendments to IFRS 4	*Extension of the Temporary Exemption from Applying IFRS 9*	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of accounting policies*	1 January 2023
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to IAS 8	*Definition of accounting estimates*	1 January 2023
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*	1 January 2023
Amendment to IAS 12	*International Tax Reform – Pillar Two Model Rules*	1 January 2023

The standards issued but not yet effective for the financial year ending on 30 June 2024 that might be relevant to the Group and not implemented early, are as follows:

Not yet mandatorily effective		
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current – Deferral of Effective Date	1 January 2024
Amendments to IAS 21	Lack of exchangeability	1 January 2025

2 Application of new and revised IFRS Accounting Standards (continued)

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 Annual Financial Statements for the annual periods beginning on or after the respective dates as indicated above.

3 Material accounting policies

3.1 Basis of preparation

These Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards 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, the Listings Requirements of the JSE, and the requirements of the Mauritius Companies Act in so far as applicable to Global Business Licensed companies.

The accounting policies applied in the preparation of these 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 Accounting Standards, except for the adoption of the IFRS Accounting Standards revisions as noted previously. These however have not resulted in material changes to the Group's results and/or disclosures.

The Annual Financial Statements have been prepared under the historical cost basis except for some 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 Annual Financial Statements have been prepared on the going concern basis

These 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 2024.

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) 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.

3 Material accounting policies (continued)

3.2 Basis of consolidation (continued)

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") was previously 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 29 February 2028.

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.

Black Hawk was formally acquired by Ethos Capital on 28 June 2024 and is now treated as a subsidiary of the Company and is still under control at the Company. Therefore, there is no change to the previous consolidated accounting treatment of Black Hawk.

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

3.3 Financial assets

Financial assets relevant to the Group are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised in the Statements of Financial Position when the Group becomes party to the contractual terms of the instruments. The Group's financial assets that are categorised as FVTPL include unlisted investments at fair value and money market investments at fair value. Cash and bank balances, other assets and receivables are categorised as financial assets at amortised cost.

3 Material accounting policies (continued)

3.3 Financial assets (continued)

3.3.1 Financial assets at FVTPL

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"), previously managed by Ethos Private Equity (Pty) Limited ("Ethos"), that typically have a 10-year life cycle. On 1 April 2023, Ethos completed its merger with The Rohatyn Group ("TRG Group"), a specialised global asset management firm focused on investment solutions in emerging markets and real assets that is headquartered in New York. Rohatyn Management South Africa Proprietary Limited ("TRG SA") has assumed responsibility as the sole Investment Advisor to Ethos Capital.

The Group becomes a Limited Partner of the Fund and the investments are made through commitments into the Funds. The investments are categorised as follows:

Primary	initial commitments made into Funds during a fundraising process.
Secondary	subsequent acquisitions of existing commitments from another Limited Partner.
Direct	acquisition of interests in underlying Portfolio Companies alongside the relevant Funds where the Funds require co-investors. These Co-Investments will be in addition to the Funds' participation via the Limited Partners' commitments and the Group's participation is structured via either a commitment into a separate Fund, that will then invest directly into the Portfolio Company, or a direct investment into the Portfolio Company.

In addition to the above Investment Strategy, cash that is surplus to investments and working capital needs, is invested in a portfolio of low-risk and liquid debt instruments, categorised as Temporary Investments. These Temporary Investments are held at fair value and any discount/premium to the par value, is amortised over the residual hold period of the investment and included as interest income in the Statements of Comprehensive Income.

As noted above, the Group's core unlisted investments are made via commitments into TRG SA-managed Funds. This commitment is not funded upfront when the commitment is made, but is drawn down via cash funding request ("capital calls") over the life of the Fund as required. The Fund has an investment period which typically expires five years after the final Fund closing date. The purpose of the capital calls during the investment period is to fund new and follow-on investments into Portfolio Companies, and to cover any operating expenses of the Fund. After the investment period ("realisation period"), capital calls will be requested to fund follow-on investments into existing Portfolio Companies, operating expenses of the Fund and any other potential obligations of the Fund. Portfolio Companies could be realised, partially or in full, during either of the above periods which will result in cash receipts by the Group. Depending on the nature of the realisation proceeds, the receipts will be classified as capital distributions and/or income distributions.

As per note 3.10, the Group determines the fair value of the Funds and Co-Investments (Direct Investments), based on the net asset value ("NAV") of each Fund, and will recognise the unrealised appreciation/depreciation in the Annual Financial Statements. The NAV is derived from the fair value assessment of the Portfolio Companies, cash resources and income (accrued or undistributed) and expenditure (incurred or accrued) of the Fund.

3 Material accounting policies (continued)

3.3 Financial assets (continued)

3.3.1 Financial assets at FVTPL (continued)

The Group's policies in respect of the treatment of the investment in the Funds through capital calls, the fair value movements on the Funds' NAV and the distributions are as follows:

Investment capital calls	the amount is included in the cost of unlisted investments at fair value.
Expenses capital calls	the amount is included within expenses and allocated to the specific expense category.
Capital distributions	the amount relating to a return of cost of investment is credited to the cost of unlisted investments at fair value and the amount relating to gains or losses is recognised as such in the Statements of Comprehensive Income.
Income distributions	the amount is recognised as investment income in the Statements of Comprehensive Income, per the revenue recognition policy as stated in note 3.5.
Unrealised fair value appreciation/depreciation	any amount that relates to income or expenses of the Fund will be treated as such in the Statements of Comprehensive Income and any such income or expenses not yet received or paid will be recognised as accrued income (see note 3.5 on revenue recognition) or accrued expenses on the Statements of Financial Position. Any other amount will be treated as a capital unrealised fair value adjustment in the Statements of Comprehensive Income and included within unlisted investments at fair value on the Statements of Financial Position.

Any of the above that relates to income or expenses from investments is disclosed under Changes in fair value of investments through profit or loss (see note 13) in the Statements of Comprehensive Income.

3.3.2 Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets at amortised cost include other assets and receivables and cash and bank balances. These are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the effect of discounting is immaterial.

The carrying amounts of the assets are assessed at the end of each reporting period for indicators of impairment and the amount of any expected credit losses is updated at such period-end. Impairment is relevant when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the asset have been affected. The expected credit loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For other assets and receivables and cash and bank balances, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the financial assets. The carrying amount of the financial asset is reduced by the expected credit loss directly only when all legal avenues have been exhausted and there is no possibility of an additional recovery.

Changes in the carrying amount and subsequent recoveries of amounts previously written off are recognised in the Statements of Comprehensive Income.

3.3.3 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statements of Comprehensive Income.

3 Material accounting policies (continued)

3.4 Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.4.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. The Group's equity consists of A and B Ordinary Shares. The B Ordinary Shares are unlisted and entitle the holders to only participate in any distribution made by the Company in respect of the annual performance participation and is therefore excluded from the issued and weighted average number of shares in issue.

3.4.2 Treasury shares

Ordinary Shares that were repurchased by the Group are classified as treasury shares. The 13.5 million secured shares as per note 3.2 are also classified as treasury shares. The cost of treasury shares is deducted from equity in the Statements of Financial Position and shown as such on the Statements of Changes in Equity. The number of treasury shares is deducted from the issued and weighted average number of shares in issue. No gain or loss is recognised in the Statements of Comprehensive Income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.4.3 Financial liabilities

The Group's financial liabilities, classified as other financial liabilities, consist of borrowings and other liabilities and payables. The liabilities are measured at amortised cost using the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums of discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount of initial recognition.

3.4.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statements of Comprehensive Income.

3.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

3.5.1 Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, net of any anticipated impairments. Interest income is included as investment income in the Statements of Comprehensive Income. Any discount to par achieved on money market instruments is amortised to cost over the maturity period of the investment and recognised as interest income, whereas any premium paid to par on such investments is amortised against the cost of the investment over its residual hold period and recognised as a charge against interest income.

3.5.2 Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Dividend income is included as investment income in the Statements of Comprehensive Income.

3.5.3 Investment gains/losses are recognised if any fair value adjustments relating to investments held at fair value are required and are included as fair value gains/losses in the Statements of Comprehensive Income.

3.5.4 Any of the above revenue items that relates to investments is disclosed under Changes in fair value of investments through profit or loss (see note 13) in the Statements of Comprehensive Income.

3 Material accounting policies (continued)

3.6 Foreign currency transactions

3.6.1 Functional and presentation currency

Items included in the Annual Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Annual Financial Statements are presented in South African Rand ("ZAR"), the Group's functional currency. Other currencies that are relevant to the Group are: British Pound Sterling ("GBP"); Swiss Franc ("CHF"); and United States Dollar ("US$").

3.6.2 Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities outstanding at the reporting period are recognised in profit or loss.

Monetary assets and liabilities expressed in foreign currencies at the end of the reporting period are translated into ZAR at the closing rate ruling at that date. At 30 June 2024, the applicable rate used to translate foreign currency balances was US$:ZAR18.1953 (2022: 18.8355).

3.7 Equity-settled share-based payments

The Company concluded a subscription agreement ("the Agreement") with the EPE Allocation Trust ("EPE Trust") whereby EPE Trust subscribed for 7,500,000 A Ordinary Shares at R0.01 per share. These shares were notionally encumbered and are released from their encumbrance when the annual growth on invested NAV exceed a performance hurdle of 10% per year, as specified in the Agreement through the notional performance participation settlement calculation.

A transaction in which an entity receives goods or services as consideration for its own equity instruments is classified as an equity-settled share-based payment transaction in terms of IFRS 2. The performance condition attached to the release of the encumbered shares, being the achievement of annual performance hurdles, is classified as a non-vesting condition, given it does not relate to both service and performance conditions.

Equity-settled share-based payments are initially measured at fair value on the grant date. The grant date of the 7,500,000 encumbered shares is the listing date, 5 August 2016. The fair value of the equity instruments issued is credited to capital and reserves on the Statements of Financial Position and any excess between the fair value and the cash received as subscription proceeds for the equity instruments issued is recognised as an expense in the Statements of Comprehensive Income. At that time, the fair value of the shares issued to EPE Trust was assessed and, in light of the required performance conditions, was deemed to be equal to the subscription value of R0.01 per share. Therefore, no share-based amount was included in the Statements of Comprehensive Income for the year ended 30 June 2017.

3.8 Taxation

Taxation consists of Mauritian income tax, chargeable on income-related items only (capital gains are not taxed), and withholding taxes on foreign investment income earned.

Current income tax is the expected tax payable on the taxable profit for the current financial year, based on rates that have been enacted or substantively enacted by the end of the financial year. To the extent that the Group incurred withholding taxes on foreign investment income, such income is recorded as a gross amount in the Statements of Comprehensive Income and withholding taxes are included in the taxation expense in the Statements of Comprehensive Income.

The Group has no temporary differences between its accounting and taxable profits and hence no deferred tax has been provided.

3.9 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 Material accounting policies (continued)

3.10 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, a NAV valuation method or a revenue multiple method.

In terms of the revenue or earnings multiple method, an appropriate and reasonable valuation multiple is applied to the maintainable earnings or revenue of the investment. For each investment an EBITDA or an earnings before interest after tax ("EBIAT"), or revenue 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 or revenue are typically based on historical earnings or revenue 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 or revenue. 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.

Assessing the level of maintainable EBITDA, EBIAT or revenue and net debt of each Portfolio Company, especially during these unprecedent times, requires a high degree of judgement by TRG SA; 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 Material accounting policies (continued)

3.11 Net asset value per share

3.11.1 Basic

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 21. 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 actual or deemed treasury shares and less the notionally encumbered shares.

3.11.2 Diluted

Diluted NAVPS adjusts the number of shares in determining the NAVPS by the number of notionally encumbered A Ordinary Shares that would have been released from their encumbrance if the notional performance participation settlement calculation was applied to the current financial year ended 30 June 2024. Further details are provided in note 21. The calculation of the diluted NAVPS was not applicable at 30 June 2024.

3.12 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 Annual Financial Statements have been prepared on the going concern basis.

3.13 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.

3.14 Guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount recognised initially less, where appropriate, cumulative amortisation recognised where appropriate.

When measuring an expected credit loss ("ECL") the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring an ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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"), that were previously managed by Ethos Private Equity (Pty) Limited ("Ethos"), that typically have a 10-year life cycle. On 1 April 2023, Ethos completed its merger with The Rohatyn Group ("TRG Group"), a specialised global asset management firm focused on investment solutions in emerging markets and real assets that is headquartered in New York. Rohatyn Management South Africa Proprietary Limited ("TRG SA") has assumed responsibility as the new Investment Advisor to Ethos Capital.

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 2024, the Group had the following investments:

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Investments held at fair value through profit or loss:				
Carrying amounts of:				
Unlisted investments	2,309,219	2,688,078	2,309,219	2,688,078
	2,309,219	2,688,078	2,309,219	2,688,078
Comprising:				
Cost	2,895,746	2,937,807	2,895,746	2,937,807
Unrealised capital revaluation at the end of the year	(830,551)	(458,614)	(830,551)	(458,614)
Accrued income	244,024	208,885	244,024	208,885
	2,309,219	2,688,078	2,309,219	2,688,078

The investments consisted of the following 10 investments:

Group and Company	Average participation in TRG SA Funds/ Co-Investments 30 June 2024 %	Cost 30 June 2024 R'000	Valuation 30 June 2024 R'000	Income distributions received Year ended 30 June 2024 R'000	Devaluation 30 June 2024 R'000
Investments held at fair value through profit or loss:					
Consisting of unlisted investments in:					
EMMF I[(1)]	39	803,037	765,767	38,756	(37,270)
TRG AF VII[(2)]	61	692,276	734,012	20,517	–
TRG DI[(3)]	1-6	786,114	287,132	10,519	(498,982)
TRG AAiF I[(4)]	20	119,656	247,585	1,946	–
EHP[(5)]	13	96,153	126,160	–	–
Primedia Holdings (Pty) Ltd	4	144,248	86,887	–	(57,361)
EF VI[(6)]	<2	72,225	33,541	6,411	(38,684)
TRG MP3[(7)]	n/a	18,115	18,649	–	–
EMM I Direct[(8)]	5	163,922	9,486	–	(154,436)
		2,895,746	2,309,219	78,149	(786,733)

(1) *Ethos Mid Market Fund I (B) Partnership.*
(2) *TRG Africa Fund VII (B) Partnership.*
(3) *TRG Africa Direct Investment Partnership.*
(4) *TRG Africa Artificial Intelligence Fund I (B) Partnership.*
(5) *Ethos Healthcare (A) Partnership.*
(6) *Ethos Fund VI (Jersey) LP.*
(7) *TRG Mezzanine Partners 3 (B) Partnership.*
(8) *Ethos Mid Market Direct Investment 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 at that time on the underlying Portfolio Company valuations, listed assets more than the unlisted assets with the former assets' valuation decreasing by more than 50% during the March 2020 quarter. Since the pandemic, the underlying EBITDA of the underlying Portfolio Companies has shown a significant improvement in operating and financial performance that has contributed towards their post-COVID recovery. However, some Portfolio Companies were more directly exposed to COVID and had taken longer to recover from the impact and the economic downturn and are currently still trading behind their pre-COVID levels. Similarly, the share price of the underlying investment in the Brait ordinary shares decreased significantly immediately after COVID and while it has shown a cumulative slight recovery in recent years, it has decreased by 73% during the current year.

Group and Company	Average participation in TRG SA Funds/ Co-Investments 30 June 2023 %	Cost 30 June 2023 R'000	Valuation 30 June 2023 R'000	Income distributions received Year ended 30 June 2023 R'000	Devaluation 30 June 2023 R'000
Investments held at fair value through profit or loss:					
Consisting of unlisted investments in:					
TRG AF VII	61	692,277	970,588	24,287	–
EMMF I	39	830,522	680,257	18,324	(150,265)
TRG DI	1-6	786,114	495,403	11,108	(290,711)
TRG AAiF I	20	114,467	227,214	2,374	–
EHP	13	96,153	128,983	–	–
Primedia Holdings (Pty) Ltd	4	144,247	79,321	–	(64,926)
EF VI	<2	91,990	57,286	696	(34,704)
TRG MP3	n/a	18,115	25,453	–	–
EMM I Direct	5	163,922	23,573	–	(140,349)
		2,937,807	2,688,078	56,789	(680,955)

Further details on the TRG SA 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
TRG AF 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
TRG AAiF 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
TRG MP3	Mezzanine and quasi-equity financing	2018	n/a	n/a

4 Unlisted investments at fair value (continued)

At 30 June 2024, the underlying investments (Portfolio Companies) of the above Funds constituting 99.2% of the total assets, consisted of the following 20 (30 June 2023: 22) Portfolio Companies and the investment in exchangeable bonds:

Company

Name	Fund or type	Economic interest %	Business description/sector	Percentage of total assets 30 June 2024 %	Percentage of total assets 30 June 2023 %
Optasia	TRG AF VII / TRG AAiF I / TRG DI	7.3%	FinTech service provider	32.3	30.7
Synerlytic	EMMF I	36.3%	Specialised analytical and testing services	11.6	7.5
Vertice	EHP	17.6%	MedTech	7.4	6.2
Crossfin	EMMF I / TRG AAiF I	11.8%	FinTech group	7.3	6.1
Gammatek	EMMF I	19.9%	TMT accessory distribution	6.7	5.1
Other (Brait)	TRG AF VII / TRG DI	9.8%	Exchangeable bonds	6.5	7.1
TymeBank	TRG AAiF I	0.6%	Banking	4.8	3.4
Echo	EMMF I / TRG AF VII	36.4%	Corporate ISP	4.7	5.9
Primedia	EF VI / Direct	4.7%	Media	4.0	3.1
Virgin Active (Brait)	TRG AF VII / TRG DI	6.3%	Health club operator	3.6	10.2
E4	EMMF I	7.7%	Software as a Service	2.8	2.0
Twinsaver	EF VI / EMMF I	7.5%	Manufacturing (FMCG)	1.8	0.4
MTN Zakhele Futhi	EMMF I	1.7%	Telecommunications	1.3	1.6
Eazi Access	EF VI / EMMF I	4.9%	Industrial support services	1.1	0.9
Premier (Brait)	TRG AF VII / TRG DI	3.5%	FMCG manufacturer	1.0	4.1
Chibuku	TRG MP3	n/a	Brewing and distribution	0.8	0.9
Kevro	EMMF I / EMM I Direct	9.2%	Corporate clothing and gifting	0.8	1.6
New Look (Brait)	TRG AF VII / TRG DI	1.8%	Multi-channel fast-fashion brand	0.3	1.0
Waco International	EF VI	0.3%	Industrial support services	0.2	0.2
RTT	EF VI	0.7%	Logistics	0.2	0.3
Autozone	EF VI / EMMF I	8.2%	Automotive parts retailer & wholesaler	–	–
The Beverage Company	EF VI / EMMF I	n/a	Carbonated drinks manufacturer	–	0.7
Neopak	EF VI	n/a	Paper and packaging	–	0.3
				99.2	99.3

4 Unlisted investments at fair value (continued)

Reconciliation of movements:

Group and Company	Cost 30 June 2024 R'000	Capital depreciation 30 June 2024 R'000	Accrued income 30 June 2024 R'000	Total 30 June 2024 R'000
Balance at 1 July 2023	2,937,807	(458,614)	208,885	2,688,078
Acquisitions	9,496	–	–	9,496
Realisations	(51,557)	(703)	(45,308)	(97,568)
Proceeds received	(56,216)	–	(78,149)	(134,365)
Net unrealised gains realised	–	(703)	–	(703)
Current year gains	4,659	–	32,841	37,500
Revaluation (decrease)/increase at the end of the year	–	(371,234)	80,447	(290,787)
Balance at 30 June 2024	2,895,746	(830,551)	244,024	2,309,219

Group and Company	Cost 30 June 2023 R'000	Capital depreciation 30 June 2023 R'000	Accrued income 30 June 2023 R'000	Total 30 June 2023 R'000
Balance at 1 July 2022	2,904,268	(499,613)	245,909	2,650,564
Acquisitions	184,407	–	–	184,407
Conversions	83,679	–	(83,679)	–
Realisations	(234,547)	23,567	(20,510)	(231,490)
Proceeds received	(211,168)	–	(56,789)	(267,957)
Net unrealised losses realised	–	23,567	–	23,567
Current year (losses)/gains	(23,379)	–	36,279	12,900
Revaluation increase at the end of the year	–	17,432	67,165	84,597
Balance at 30 June 2023	2,937,807	(458,614)	208,885	2,688,078

5 Other assets and receivables

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Prepayments	516	524	516	524
Attributable share of TRG SA Funds' other receivables	3,569	4,865	3,569	4,865
Other receivables	2	5	–	3
	4,087	5,394	4,085	5,392

The carrying amount of other assets and receivables approximates its fair value.

6 Income tax (payable)/receivable

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Balance at 1 July	3,396	3,318	3,396	3,318
Net amount (received)/paid	(1,944)	1,589	(1,944)	1,589
Provision for current year income tax	(1,557)	(1,511)	(1,557)	(1,511)
Balance at 30 June	(105)	3,396	(105)	3,396

7 Cash and cash equivalents

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Cash and bank balances:				
Bank balances	15,005	11,236	14,549	10,777
	15,005	11,236	14,549	10,777

The carrying amount of cash and bank balances approximates its fair value.

8 Issued capital

	Group		Company	
	30 June 2024 Number	30 June 2023 Number	30 June 2024 Number	30 June 2023 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	(12,614,901)	(12,614,901)	(12,614,901)	(12,614,901)
Total issued share capital	261,395,099	261,395,099	274,895,099	274,895,099

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 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	(94,414)	(94,414)	(94,414)	(94,414)
Total issued share capital	2,271,272	2,271,272	2,406,272	2,406,272

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.

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 21), to receive out of the profits of the Company an annual dividend that collectively represents the annual performance participation.

8 Issued capital (continued)

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 21.

Cumulative to date, the Company has purchased 12,614,901 A Ordinary Shares at an average price of R7.48 per share. These shares are currently held in treasury. As set out in note 21, 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.

9 Reserves

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Reserves consist of:				
Accumulated losses:				
Balance at 1 July	(99,153)	(104,344)	(48,141)	(71,562)
(Loss)/income for the year	(387,742)	5,191	(547,055)	23,421
Balance at 30 June	(486,895)	(99,153)	(595,196)	(48,141)

10 Borrowings

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Secured – at amortised cost:				
Revolving credit facility (Ethos Capital)				
Balance at 1 July	340,000	292,235	340,000	292,235
Amount drawn	10,000	160,000	10,000	160,000
Amount repaid	(37,780)	(112,235)	(37,780)	(112,235)
Balance at 30 June	321,220	340,000	312,220	340,000
Unsecured – at amortised cost:				
Loan facility (Black Hawk)				
Balance at 1 July	186,473	168,250	–	–
Interest capitalised	23,772	18,223	–	–
Balance at 30 June	210,245	186,473	–	–
	522,465	526,473	312,220	340,000
Current	–	–	–	–
Non-current	522,465	526,473	312,220	340,000
	522,465	526, 473	312,220	340,000

10 Borrowings (continued)

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 has recently been extended to expire on 29 February 2028. The credit facility is secured against the Company's assets and is currently capped at a maximum of 3.0x 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. All interest was paid to 30 June 2024.

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, that is also expiring on 29 February 2028. This amount represents the current outstanding balance on the facility, including any accrued interest charges to 30 June 2024. 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.

11 Financial guarantee

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Financial guarantee:				
Loss on financial guarantee	–	–	183,089	–
	–	–	183,089	–

As set out in note 3, at the time of the listing, the Company provided a guarantee on a loan facility to Black Hawk in favour of RMB that is expiring on 29 February 2028. At the Group level, the impact of any potential losses on the guarantee has been fully recognised annually in the Group Statement of Financial Position and Group Statement of Comprehensive Income.

Furthermore, as noted earlier, the Company acquired Black Hawk on 28 June 2024 for Rnil consideration and preceding the acquision, Black Hawk has antecedently waived its right to receive its pro rata share of the Brait ordinary shares that were unbundled to Ethos Capital shareholders post 30 June 2024. Therefore, an amount of R183,089,000 for the potential loss on the financial gurantee, based on the fair value of the loan facility and the prevailing share price of the Ethos Capital shares pledged against the loan, was recognised in the Company Statement of Financial Position and Company Statement of Comprehensive Income. This financial guarantee had no further impact on the Group Financial Statements or Group NAVPS.

It is the Company's intention to restructure the loan facility and guarantee in the next financial year.

12 Other liabilities and payables

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Administration fees payable	12	16	12	16
Advisory fees payable	11,276	7,114	11,276	7,114
Attributable share of TRG SA Funds' other payables	3,018	–	3,018	–
Other payables	7,058	2,382	7,057	2,382
	21,364	9,512	21,363	9,512

The carrying amount of other liabilities and payables approximates its fair value.

13 Changes in fair value of investments through profit or loss

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Income:				
Interest accrued and received on unlisted investments	81,420	72,094	81,420	72,094
Dividends accrued and received on unlisted investments	31,868	31,350	31,868	31,350
	113,288	103,444	113,288	103,444
Net (losses)/gains arising on changes in the fair value of investments	(371,234)	17,432	(371,234)	17,432
Reversal of prior years' fair value (gains)/losses on disposal	(703)	23,567	(703)	23,567
Gains/(losses) on realisation of investments	4,659	(23,379)	4,659	(23,379)
	(367,278)	17,620	(367,278)	17,620
Tax expenses:				
Withholding tax	(6,139)	(4,205)	(6,139)	(4,205)
	(6,139)	(4,205)	(6,139)	(4,205)
Expenses:				
Advisory fees	(32,619)	(32,449)	(32,619)	(32,449)
Finance costs	(11,962)	(13,095)	(11,962)	(13,095)
Other Fund operating expense rebates/(charges)	807	(1,482)	807	(1,482)
	(43,774)	(47,026)	(43,774)	(47,026)
	(303,903)	69,833	(303,903)	69,833

14 Investment income

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Income:				
Interest from cash and bank balances	859	759	840	744
	859	759	840	744
Analysis of investment income by category of asset:				
Financial assets at amortised cost	859	759	840	744
	859	759	840	744

15 Net foreign exchange (loss)/gain

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Unrealised:				
Net foreign exchange (loss)/gain on conversion of cash and cash equivalents	(3)	11	(3)	11
	(3)	11	(3)	11

16 (Loss)/profit before tax

(Loss)/profit before tax has been arrived at after charging:

16.1 Administration fees

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Administration fee – TRG SA	29	23	29	23
	29	23	29	23

Refer to note 22 for information on how the fees are calculated.

16.2 Legal and consultancy fees

Professional advisors' fees	4,531	581	4,531	581
	4,531	581	4,531	581

16.3 Other operating expenses

Company secretarial, accounting and other administration fees	564	234	564	234
Directors' emoluments (see note 17)	4,842	4,656	4,842	4,656
Auditors' remuneration	1,844	1,365	1,844	1,365
Insurance costs	378	399	378	399
Sponsor and listing-related fees	870	813	870	813
Publication costs	477	545	477	545
Donations	103	102	103	102
Other expenses	665	673	642	651
	9,743	8,787	9,720	8,765

16 (Loss)/profit before tax (continued)

16.4 Finance costs

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Secured:				
Interest on secured credit facility	43,952	34,867	43,952	34,867
Commitment and transaction fees	1,111	1,420	1,111	1,420
Total amount paid	45,063	36,287	45,063	36,287
Unsecured:				
Interest on unsecured loan facility	23,772	18,223	–	–
Total amount accrued	23,772	18,223	–	–
	68,835	54,510	45,063	36,287

16.5 Other losses

Loss on financial guarantee (see note 11)	–	–	183,089	–
	–	–	183,089	–

17 Directors' emoluments

The following emoluments were paid to the Directors during the year for their services as a Director:

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Derek Prout-Jones	1,640	1,640	1,640	1,640
Kevin Allagapen[(1)]	475	443	475	443
Michael Pfaff	1,290	1,290	1,290	1,290
Yuvraj Juwaheer[(1)]	475	443	475	443
Yvonne Stillhart[(2)]	962	840	962	840
	4,842	4,656	4,842	4,656

[(1)] *ZAR equivalent of US$25,000.*

[(2)] *ZAR equivalent of CHF45,000.*

18 Income tax expense

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Current tax:				
In respect of the current year	1,557	1,511	1,557	1,511
Total income tax expense	1,557	1,511	1,557	1,511

The Group is liable for income tax at a rate of 15%. However, 80% of certain foreign sourced income of the Group, subject to certain requirements, is exempt from income tax. In addition, 80% of certain expenditure relating to such foreign sourced income, and a proportion of all other expenditure, is not deductible from taxable profit. In addition to income tax, and where applicable, the Group incurs withholding tax on foreign sourced income received.

The Finance (Miscellaneous Provisions) Act 2024, which was gazetted on 27 July 2024 in Mauritius, introduced a new Corporate Climate Responsibility ("CCR") Levy at 2% of chargeable income as from the year of assessment commencing on 1 July 2024. This new levy is not considered as substantively enacted as at the reporting date under the provisions of IAS 12 – Income Taxes, and therefore no provision has been made in these Annual Financial Statements. The amount payable for the year of assessment 2024-2025 in respect of the financial year ended 30 June 2024 is estimated to be R218,000.

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group		Company	
Group and Company	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
(Loss)/profit before tax	(386,185)	6,702	(545,498)	24,932
Income tax charge calculated at 15%	(57,928)	1,005	(81,824)	3,740
Adjustments for the effect of:				
Tax exemption on foreign investment income	(13,595)	(12,413)	(13,595)	(12,413)
Unrealised fair value losses/(gains) exemption	55,791	(6,152)	55,791	(6,152)
Realised fair value (gains)/losses exemption	(699)	3,507	(699)	3,507
Loss on financial guarantee	–	–	27,463	–
Expenses that are not deductible in determining taxable profit	17,988	15,564	14,421	12,829
– Expenses directly relating to exempt income	5,253	6,526	5,253	6,526
– Proportionate allocation of exempt income to expenses	7,587	5,643	7,587	5,643
– Net interest on loan facility	3,567	2,735	–	–
– Withholding tax not deductible	921	631	921	631
– Legal and consultancy fees deemed of a capital nature	645	14	645	14
– Donations not deductible	15	15	15	15
Total adjustments	59,485	506	83,381	(2,229)
Income tax expense recognised in current year	1,557	1,511	1,557	1,511

19 Capital commitments and guarantees

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Undrawn capital commitments:				
Consisting of unlisted investments in:				
EMMF I[1]	177,490	127,038	177,490	127,038
TRG AAiF I[2]	27,590	33,991	27,590	33,991
EF VI[3]	9,033	7,711	9,033	7,711
	214,113	168,740	214,113	168,740
Guarantee:				
RMB Bank loan	–	–	–	186,473
	–	–	–	186,473
Total commitments and guarantees	214,113	168,740	214,113	355,213

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 TRG Africa Artificial Intelligence 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.*

As noted previously (refer to note 11), the Company has provided a guarantee against a R105 million loan facility (plus outstanding interest thereon) expiring on 29 February 2028. At 30 June 2024, expected losses on the financial guarantee has been provided for in the Company Statement of Financial Position and Company Statement of Comprehensive Income.

20 Notes to the Statements of Cash Flows

Cash used in operations

	Group		Company	
	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Cash flows from operating activities before investment activities:				
(Loss)/profit before tax for the year	(386,185)	6,702	(545,498)	24,932
Adjustments for:				
Investment income recognised	(114,147)	(104,203)	(114,128)	(104,188)
Withholding tax on investments	6,139	4,205	6,139	4,205
Investment-related expenses	43,774	47,026	43,774	47,026
Net losses/(gains) from fair value adjustments	371,937	(40,999)	371,937	(40,999)
(Gains)/losses on disposal of investments	(4,659)	23,379	(4,659)	23,379
Net foreign exchange loss/(gain)	3	(11)	3	(11)
Finance costs recognised	68,835	54,510	45,063	36,287
Loss on financial guarantee	–	–	183,089	–
	(14,303)	(9,391)	(14,280)	(9,369)
Movements in working capital	4,683	(4,829)	4,682	(4,829)
Decrease in other assets and receivables	11	6,790	11	6,790
Increase/(decrease) in other liabilities and payables	4,672	(11,619)	4,671	(11,619)
Cash used in operations	(9,620)	(14,220)	(9,598)	(14,198)

21 (Loss)/earnings per share and NAV per share

As detailed in note 8, 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 basic earnings, basic headline earnings and basic NAVPS respectively. The calculations below therefore reflect the basic earnings, basic headline earnings and basic NAVPS attributable to the unrestricted A Ordinary shareholders.

21.1 (Loss)/earnings and headline (loss)/earnings per share

	Group		Company	
	Year ended 30 June 2024 R'000	**Year ended 30 June 2023 R'000**	**Year ended 30 June 2024 R'000**	**Year ended 30 June 2023 R'000**
Total comprehensive (loss)/income attributable to ordinary shareholders	(387,742)	5,191	(547,055)	23,421
Reconciliation of basic (loss)/earnings to headline (loss)/earnings:				
Total comprehensive (loss)/income attributable to ordinary shareholders	(387,742)	5,191	(547,055)	23,421
Reconciling items	–	–	–	–
Headline (loss)/earnings for the year	(387,742)	5,191	(547,055)	23,421
	'000	**'000**	**'000**	**'000**
Weighted average number of ordinary shares for the purpose of (loss)/earnings per share	253,885	256,884	267,385	270,384
Basic and diluted (loss)/earnings per share (Rand)	(1.53)	0.02	(2.05)	0.09
Basic and diluted headline (loss)/earnings per share (Rand)	(1.53)	0.02	(2.05)	0.09

21 (Loss)/earnings per share and NAV per share (continued)

21.2 Net asset value per share

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
Net asset value	1,784,377	2,172,119	1,811,076	2,358,131
Additional loss on guarantee for collateral treated as treasury shares	–	–	(56,835)	–
Adjusted net asset value	1,784,377	2,172,119	1,754,241	2,358,131
Number of shares in issue during the year	287,500	287,500	287,500	287,500
Less: Shares held in treasury	(26,115)	(26,115)	(12,615)	(12,615)
Less: Pledged shares treated as treasury shares	-	-	(13,500)	–
Less: Notionally encumbered shares	(7,500)	(7,500)	(7,500)	(7,500)
Number of attributable shares in issue at end of the year	253,885	253,885	253,885	267,385
Net asset value per share (Rand)	7.03	8.56	6.91	8.82

As per note 11, the expected loss on the financial guarantee provided to the Black Hawk loan facility, has been recognised in the Company's Financial Statements. Black Hawk has pledged 13,500,000 shares held in Ethos Capital as security against the loan facility and Black Haw was acquired by the Company on 28 June 2024 and is now a subsidiary of the Company. For the purposes of calculating the Company's NAVPS, it was assumed that the shares held as collateral will not be applied against the potential settlement of the loan facility, but instead will be held as treasury shares, and therefore it was deducted from the attributable shares in issue at the end of the year. In addition, to compensate for the current value of the deemed treasury shares, an additional loss was recognised against the NAV of the Company to settle the implied shortfall that will arise on the potential settlement of the loan facility. No adjustment was required for the purpose of calculating the Group's NAVPS since the pledged shares were already recognised as treasury shares.

22 Key agreements

The Company had previously entered into an investment services agreement with Ethos, the terms of which stipulate that the latter, as Investment Advisor, provided investment advice (including sourcing investments), and administrative and back office services to the Company. As payment for these services, Ethos received investment services, management, and administration fees that are calculated and paid quarterly.

On 1 April 2023, Ethos completed a merger with The Rohatyn Group ("TRG Group"), a specialised global asset management firm focused on investment solutions in emerging markets and real assets that is headquartered in New York. Rohatyn Management South Africa Proprietary Limited ("TRG SA") will assume responsibility as the sole Investment Advisor to Ethos Capital once it is licensed as a financial services provider, but in the interim, will act together with Ethos (as its juristic representative) through a combination of different arrangements. All key members of the previous Ethos investment team transferred their employment to TRG SA.

Founded in 1984, Ethos managed investments in private equity and credit strategies in South Africa and the rest of sub-Saharan Africa. With pre-merger assets under management of c. R24 billion, Ethos targeted control buyouts and selected expansion capital investments in companies with strong growth potential. Ethos managed investments on behalf of public and corporate retirement funds, sovereign wealth funds, fund-of-funds, development financial institutions, insurance companies and Ethos Capital. Investors were based in South Africa, Europe, North America and Asia.

Ethos had an unparalleled 39-year record of successful, sustainable investing across multiple economic and political cycles. To date, Ethos' Large Equity Funds has invested in 111 transactions, delivering 98 realised investments.

Ethos Capital will continue to hold its investments in the TRG SA Funds (largely renamed from Ethos Funds) on similar terms as the previous terms with Ethos.

The investment services fee is 1.5% of the average of the opening invested NAV and closing invested NAV for Direct Investments, unless specifically agreed between the Group and TRG SA to be exempt from any fee; and the management fee is 1.5% of the average of the opening invested NAV and closing invested NAV for Primary Investments. In no event shall any of the above fees be less than zero and both fees were effective from 1 July 2017. In respect of any Secondary Investments acquired, the management fee payable thereon will be the Company's proportionate share of any management fee charged by and payable to the manager of such Fund.

TRG SA receives a fee of 0.25% of the average balance of the Temporary Investments as an administration fee for providing administrative and back office services. As noted above, the Company has an investment management agreement with Ashburton to manage its Temporary Investments. The administration fee paid to TRG SA is reduced by any fees payable to Ashburton, charged at 0.15%.

The Company has also entered into a subscription agreement with the EPE Trust that governs the terms of the A and B Ordinary Shares that the EPE Trust subscribed for, as well as the Performance Participation EPE Trust is entitled to. The Performance Participation is based on 20% of the annual growth in NAV of invested assets and was triggered annually if the NAV growth exceeded a preferred hurdle of 10%. The Company's investment in EF VI, and the underlying investments in the Brait ordinary shares, Brait exchangeable bonds and Optasia (the participation held via TRG DI) are not subject to the Performance Participation.

The terms of the Performance Participation have been amended in the prior year and is now measured over a cumulative three-year measurement period ("Measurement Period") to ensure the average NAV growth over the Measurement Period exceeds the preferred hurdle. Any Performance Participation amount due is firstly settled via the release of a number of encumbered A Ordinary Shares and thereafter via dividend payments on the B Ordinary Shares. The number of A Ordinary Shares to be released is determined by dividing any such Performance Participation amount by the average Ethos Capital NAVPS over the Measurement Period.

Since the listing date, no Performance Participation was due for the Measurement Periods ended 30 June 2019 and 30 June 2022 respectively. The current measurement period has commenced on 1 July 2022 and will be ending on 30 June 2025.

23 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, as per each categorisation noted. 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
TRG SA

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

Enoha GmbH (controlled by the Chairperson)

Black Hawk

23.1 Investment-related fees

The fees, as detailed in note 22, that were payable to TRG SA during the year and any outstanding balances at 30 June 2024, are listed below:

Group and Company	Year ended 30 June 2024 R'000	Year ended 30 June 2023 R'000
Fees:		
Administration fee	29	23
Management fees	1,859	1,673
Advisory fees	30,760	30,776
	32,648	32,472

	30 June 2024 R'000	30 June 2023 R'000
Outstanding paybable balances:		
Administration fee	12	16
Advisory fees	11,276	7,114
	11,288	7,130

The payable balances are payable upon receipt of the call notices from the TRG SA Funds.

23.2 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.

Included in the above remuneration is an amount of R962,000 (CHF45,000) (2023: R840,000) paid to Enoha GmbH in respect of the Director's remuneration of Yvonne Stillhart.

There was no outstanding remuneration due at 30 June 2024 (30 June 2023: Rnil).

23.3 Other

As set out in note 11, the Company provided a guarantee on a R105 million loan facility (including any accrued interest) in favour of Black Hawk. Black Hawk subscribed to 13,500,000 A Ordinary Shares of the Company.

24 Financial risk factors and instruments

24.1 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.

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 2024	**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	2,309,219	–	2,309,219	–
Other assets and receivables	–	4,087	–	4,085
Cash and cash equivalents	–	15,005	–	14,549
Financial liabilities:				
Borrowings	–	522,465	–	312,220
Financial guarantee	–	–	–	183,089
Other liabilities and payables	–	21,364	–	21,363
At 30 June 2023	**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	2,688,078	–	2,688,078	–
Other assets and receivables	–	5,394	–	5,392
Income tax receivable	–	3,396	–	3,396
Cash and cash equivalents	–	11,236	–	10,777
Financial liabilities:				
Borrowings	–	526,473	–	340,000
Other liabilities and payables	–	9,512	–	9,512

24 Financial risk factors and instruments (continued)

24.2 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 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.

24.3 Valuation risk

24.3.1 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. 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 TRG SA's investment executives, are independently reviewed by senior executives/partners of TRG SA. These executives then submit and present the valuations to the TRG SA Valuation Committee, which consists of a number of senior executives/partners of TRG SA. 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.

24 Financial risk factors and instruments (continued)

24.4 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.

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:				
Investments	294,623	–	2,014,596	2,309,219
At 30 June 2024	294,623	–	2,014,596	2,309,219

Group and Company	**Level 1 R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Assets:				
Investments	648,701	–	2,039,377	2,688,078
At 30 June 2023	648,701	–	2,039,377	2,688,078

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 2024 R'000**	**30 June 2023 R'000**
Non-current assets:		
Opening balance	2,039,377	1,877,680
Acquisitions	9,496	145,461
Realisations at prior year carrying value	(96,564)	(230,406)
Net gains included in the Statements of Comprehensive Income	62,287	246,642
	2,014,596	2,039,377

24 Financial risk factors and instruments (continued)

24.5 Sensitivity of the fair values to unobservable inputs

24.5.1 Fund investments – NAV based

The Board of Directors has approved the valuation method for level 3 investments as set out in the accounting policies. The valuation techniques used and the inputs available to determine the fair value of each investment, are detailed in note 3. The inputs that are available to the Board to determine the valuation of the investments of the Company, are the NAVs of the Funds that represent its investments. The analysis below demonstrates the impact that a potential reasonable change in the level 3 unobservable input (i.e. the Funds' NAV) might have on the fair value and NAVPS of the Group and Company at 30 June 2024.

	Group and Company		Group	Company	Group and Company
At 30 June 2024			NAVPS		Fair value adjustment
Investments	R'000	% change	Rand	Rand	R'000
NAV:					
EMMF I	765,767	±10	±0.30	±0.30	±76,577
TRG AF VII	734,012	±10	±0.29	±0.29	±73,401
TRG DI	287,132	±10	±0.11	±0.11	±28,713
TRG AAiF I	247,585	±10	±0.10	±0.10	±24,759
EHP	126,160	±10	±0.05	±0.05	±12,616
EF VI	33,541	±10	±0.01	±0.01	±3,354
TRG MP3	18,649	±10	±0.01	±0.01	±1,865
EMM I Direct	9,486	±10	–	–	±949
At 30 June 2023			NAVPS		Fair value adjustment
Investments	R'000	% change	Rand	Rand	R'000
NAV:					
TRG AF VII	970,588	±10	±0.38	±0.36	±97,059
EMMF I	680,257	±10	±0.27	±0.25	±68,026
TRG DI	495,403	±10	±0.20	±0.19	±49,540
TRG AAiF I	227,214	±10	±0.09	±0.08	±22,721
EHP	128,983	±10	±0.05	±0.05	±12,898
EF VI	57,286	±10	±0.02	±0.02	±5,729
TRG MP3	25,453	±10	±0.01	±0.01	±2,545
EMM I Direct	23,573	±10	±0.01	±0.01	±2,357

24 Financial risk factors and instruments (continued)

24.5 Sensitivity of the fair values to unobservable inputs (continued)

24.5.2 Underlying Portfolio Companies – valuation drivers

The categories of unlisted assets that are valued by the Investment Manager, based on different level 3 unobservable inputs and valuation methodologies, to derive the Funds' NAVs at 30 June 2024, are as follows:

		Group and Company	
Methodology	**Category**	**30 June 2024 R'000**	**30 June 2023 R'000**
Non-earnings/revenue based:			
Fair value – early-stage investment	Unlisted private equity	110,645	91,778
Fair value – par value plus coupon	Unlisted mezzanine	18,649	25,453
Fair value – net asset value/third-party pricing	Unlisted private equity	372,671	9,574
Earnings/revenue based:			
Fair value – earnings/revenue based	Unlisted private equity	1,512,631	1,912,572

Non-earnings/revenue based

Fair value – early-stage investment

The valuation technique adopted for this investment is the fair value that is derived from the latest funding rounds, which is a direct observable input. Therefore, no sensitivity analysis is applicable.

Fair value – par value plus coupon

The fair value of the mezzanine loan component of the underlying investment is based on the outstanding principal at par value plus any accrued coupon/interest – less any impairments that are deemed required – plus any equity value that might be receivable subject to certain earnings levels of the Portfolio Company. The equity component of the underlying investment is, if applicable, based on an earnings multiple methodology. The information aims to demonstrate the impact that a potential change in a level 3 unobservable input might have on the fair value of the investment at 30 June 2024, if all other inputs remain unchanged, and absent any changes in any other subjective inputs. Any upside change, from a certain level of equity value, will result in an increase in the equity component of the investment, whereas any downside change, would firstly reduce the equity component up to a nil value, and thereafter could result in the impairment of the outstanding principal and accrued interest.

	Group and Company	Group	Company	Group and Company
		NAVPS		
At 30 June 2024	**% change**	**Rand**	**Rand**	**Fair value adjustment R'000**
Attributable EBITDA or EBITDA valuation multiple	±10	±0.01	±0.01	±1,582
At 30 June 2023	**% change**	**Rand**	**Rand**	**Fair value adjustment R'000**
Attributable EBITDA or EBITDA valuation multiple	±10	–	–	–

24 Financial risk factors and instruments (continued)

24.5 Sensitivity of the fair values to unobservable inputs (continued)

24.5.2 Underlying Portfolio Companies – valuation drivers (continued)

Fair value – net asset value/third-party pricing

The fair value is derived from the sum-of-the-parts of the net assets of the investment, or third-party pricing agreed between the seller and buyer is used to form the basis for the valuation of the investment that is in the process of being realised. An increase or decrease in the net assets of the company or the third-party pricing, will have a direct impact on the NAV of the Fund.

	Group and Company	Group	Company	Group and Company
At 30 June 2024	**% change**	**NAVPS Rand**	**NAVPS Rand**	**Fair value adjustment R'000**
Value	±10	±0.15	±0.15	±37,267

	Group and Company	Group	Company	Group and Company
At 30 June 2023	**% change**	**NAVPS Rand**	**NAVPS Rand**	**Fair value adjustment R'000**
Value	±10	–	–	±957

Fair value – earnings based

The main inputs available to the Investment Advisor to determine the valuation on a case-by-case basis for each of the underlying Portfolio Companies, from which the NAV of the Funds is derived, are: maintainable revenue or maintainable earnings, trading multiples and capital structures. Revenue or earnings, for instance EBITDA, can be based on budgeted revenue or EBITDA, most recent or historic reported revenue or EBITDA, the last 12 months' revenue or EBITDA, or revenue or EBITDA adjusted to a normalised revenue or earnings level.

Trading multiples are determined by identifying comparable public companies based on, for instance, their industry, size, growth stage, revenue generation and strategy. Once a public company's trading multiple is calculated, the Investment Advisor can then adjust the multiple for considerations such as illiquidity, capital structure and other differences between the public company and the Portfolio Company, based on company-specific facts and differences. The Investment Advisor can also, in addition to the original transaction multiples, consider recent private transactions in similar securities as the Portfolio Company or third-party transactions, and adjust the trading multiples as deemed appropriate.

Assessing the level of maintainable revenue or EBITDA and net debt of each Portfolio Company, especially during these unprecedent times, requires a high degree of judgement by TRG SA; 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 capital structure of each Portfolio Company determines the ranking or distribution waterfall of how the fair value is firstly allocated to each type of security, and secondly to each holder of such securities, for example taking into consideration preferred rights or incentive schemes upon an exit scenario, possible earn-out payment etc. Other subjective inputs to use might be based on the Investment Advisor's assessment of the quality of earnings, third-party external debt, comparability differences and probability of default.

All these numerical and subjective inputs are recorded and maintained, for each Portfolio Company, in a valuation model designed, controlled and updated by the Investment Advisor. The Board of Directors does not have direct access to or control over or provide input to these valuation models or the subjective assessments that were considered in deriving the fair value and is not reasonably available to the Board. The Board however receives summary output of the valuation outcomes and drivers from the Investment Advisor, which the Board can then review to assess the reasonableness of the Fund NAVs provided in determining the valuation of the Company's investment portfolio and its NAV. However, the Board does not currently maintain or develop its own independent quantitative unobservable inputs. All these inputs and considerations are largely interdependent and subjective, and the models are highly complex for an outside party to manage. Therefore, it is not reasonable, and potentially misleading, for the Board to determine and present to the shareholders of the Group a sensitivity analysis of the potential impact on changes to one or more of the underlying inputs to fair value. The Board instead derives implied multiples and the impact thereof based on information that is reasonably available to it.

24 Financial risk factors and instruments (continued)

24.5 Sensitivity of the fair values to unobservable inputs (continued)

24.5.2 Underlying Portfolio Companies – valuation drivers (continued)

Fair value – earnings based (continued)

The analysis below aims to demonstrate, where relevant, the impact that a potential change in a level 3 unobservable input (maintainable revenue or EBITDA, maintainable net debt or the revenue or EBITDA valuation multiple) might have on the aggregate fair value of the respective Fund categories and NAVPS of the Group and Company at 30 June 2024, if all other inputs remain unchanged, and absent any changes in any other subjective inputs. The Board believes that it is more useful to provide this information in aggregate by Fund type and vintage (see note 4 on page 89), including the Co-Investments that are made alongside the Funds, reflecting the monitoring levels of the Board.

Each Fund's attributable revenue or EBITDA and net debt presented in the table, represent the aggregate of the maintainable revenue or EBITDA and net debt of the underlying Portfolio Companies for each Fund category, as used in the underlying valuations, multiplied by the Group's implied effective economic participation held via the Funds in each Portfolio Company. The implied multiples were then calculated in relation to the aggregate fair value of the Fund categories.

	Group and Company			Group	Company	Group and Company
At 30 June 2024	**R'000**	**Valuation multiple**	**% change**	**NAVPS Rand**	**Rand**	**Fair value adjustment R'000**
EF VI and relevant Co-Investments:						
Attributable EBITDA / Implied EBITDA multiple	47,000	5.1x	±10	±0.10	±0.10	±26,070
Attributable Net debt	43,000	n/a	±10	∓0.01	∓0.01	∓2,200
EF VII and relevant Co-investments						
Attributable EBITDA / Implied EBITDA multiple	83,000	10.7x	±10	±0.35	±0.35	±88,710
Attributable Net debt	85,000	n/a	±10	∓0.03	∓0.03	∓8,600
Attributable Revenue / Implied revenue multiple	38,000	0.6x	±10	±0.01	±0.01	±1,780
Attributable Net debt	4,000	n/a	±10	–	–	∓900
EMMF I and relevant Co-Investments:						
Attributable EBITDA / Implied EBITDA multiple	86,000	6.0x	±10	±0.20	±0.20	±50,900
Attributable Net debt	168,000	n/a	±10	∓0.07	∓0.07	∓17,500
Attributable Revenue / Implied revenue multiple	44,000	1.4x	±10	±0.04	±0.04	±9,160
Attributable Net debt	4,000	n/a	±10	∓0.01	∓0.01	∓2,600

24 Financial risk factors and instruments (continued)

24.5 Sensitivity of the fair values to unobservable inputs (continued)

24.5.2 Underlying Portfolio Companies – valuation drivers (continued)

Fair value – earnings based (continued)

At 30 June 2023	R'000	Valuation multiple	% change	Rand	NAVPS Rand	Fair value adjustment R'000
EF VI and relevant Co-Investments:						
Attributable EBITDA / Implied EBITDA multiple	44,000	6.1x	±10	±0.12	±0.12	±31,140
Attributable Net debt	56,000	n/a	±10	∓0.01	∓0.01	∓1,300
TRG AF VII and relevant Co-Investments:						
Attributable EBITDA / Implied EBITDA multiple	91,000	11.0x	±10	±0.39	±0.37	±98,600
Attributable Net cash	72,000	n/a	±10	∓0.03	∓0.03	∓8,700
EMMF I and relevant Co-Investments:						
Attributable EBITDA / Implied EBITDA multiple	118,000	7.3x	±10	±0.34	±0.32	±85,840
Attributable Net debt	172,000	n/a	±10	∓0.07	∓0.07	∓17,500

Given the potential impact of changes to the Investment Advisor's subjective considerations in the event that any unobservable inputs change, different capital structures and participation ratios that might change at different valuation levels, the Board believes it is not reasonable, and potentially misleading, for it to accurately determine and present to the shareholders of the Group the sensitivity analysis of the potential impact on changes to one or more of the underlying inputs to fair value. Therefore, shareholders need to be careful when considering above indicative fair value adjustments.

In addition to the Funds' analysis on the previous page, the below information aims to demonstrate the impact that a potential change in a level 3 unobservable input might have on the fair value of the Group's direct shareholding in Primedia at 30 June 2024, if all other inputs remain unchanged.

	Group and Company			Group	Company	Group and Company
At 30 June 2024	**R'000**	**Valuation multiple**	**% change**	**Rand**	**NAVPS Rand**	**Fair value adjustment R'000**
Earnings based – unlisted investment in Primedia:						
Attributable EBITDA / Investment EBITDA multiple	29,000	6.0x	±10	±0.07	±0.07	±17,300
Attributable Net debt	87,000	n/a	±10	∓0.03	∓0.03	∓8,800

At 30 June 2023	R'000	Valuation multiple	% change	Rand	NAVPS Rand	Fair value adjustment R'000
Earnings based – unlisted investment in Primedia:						
Attributable EBITDA / Investment EBITDA multiple	24,000	6.7x	±10	±0.08	±0.07	±19,601
Attributable Net debt	85,000	n/a	±10	∓0.02	∓0.02	∓4,979

24 Financial risk factors and instruments (continued)

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Board agrees and reviews the Company's policies for managing these risks.

24.6.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's unlisted investments are currently all held in ZAR denominated Funds. In turn, the majority (67%) of the Funds' investments and Co-Investments are ZAR denominated with the balance (33%) US$ denominated. The Portfolio Companies might operate in multi-currency jurisdictions and will manage their own currency risk, which could be through funding their debt in multiple currencies that match their operations or foreign exchange hedging policies, and therefore they could be exposed to more currencies than ZAR and US$. The Board actively monitors the Group's currency exposure and will consider hedging strategies if required and as appropriate. In addition, relatively small amounts of cash and cash equivalents are held in US$ to fund operating expenses, which will not be materially impacted by changes in foreign exchange rates. All other financial assets and liabilities are ZAR denominated.

The table below demonstrates the implied sensitivity in the fair value at 30 June 2024 of the non-ZAR denominated unlisted Portfolio Companies held at 30 June 2024 based on assumed changes to the US$:ZAR exchange rate (18.1953 at 30 June 2024).

		Group	Company	Group and Company
At 30 June 2024		**Per share impact Rand**	**Rand**	**Fair value adjustment R'000**
US$:ZAR Change %:	**US$:ZAR Implied rate:**			
+5.0%	19.1051	0.15	0.15	38,587
+10.0%	20.0148	0.30	0.30	77,175
-5.0%	17.2855	(0.15)	(0.15)	(38,587)
-10.0%	16.3758	(0.30)	(0.30)	(77,175)
At 30 June 2023		**Per share impact Rand**	**Rand**	**Fair value adjustment R'000**
US$:ZAR Change %:	**US$:ZAR Implied rate:**			
+5.0	19.7773	0.17	0.16	42,801
+10.0	20.7191	0.34	0.32	85,602
-5.0	17.8937	(0.17)	(0.16)	(42,801)
-10.0	16.9520	(0.34)	(0.32)	(85,602)

Any changes in the US$:ZAR or any other exchange rates, might also have an impact on the underlying valuation inputs and subjective considerations in determining the valuation of the Portfolio Companies (e.g. maintainable revenue or EBITDA and net debt) that make up the NAV of the Funds and therefore the Board believes it is not reasonable, and potentially misleading, for it to accurately determine and present to the shareholders of the Group the sensitivity analysis of the potential impact on changes to foreign exchange rates. Therefore, shareholders need to be careful when considering the indicative fair value adjustments.

24 Financial risk factors and instruments (continued)

24.6 Market risk (continued)

24.6.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate based on changes in market interest rates. The Group has exposure to interest rate risk through its Temporary Investments (money market investments) that are typically invested in fixed rate instruments and floating rate notes, with a relatively short repricing period, and cash and cash equivalents and bank loans. The fair value of the money market instruments is largely dependent on the market interest rates and its fair value therefore could fluctuate with changes in market interest rates.

The performance, maturity profile and sensitivity analysis of Temporary Investments, when relevant, are reviewed regularly and Ashburton aims to match the liquidity profile with the Group's liquidity requirements to optimise the returns. The Temporary Investments are managed by Ashburton under an investment management agreement that sets certain permitted securities and limits within which they have to manage the portfolio to provide a balance of risk and returns that the Board is comfortable with.

The balance of Temporary Investments was Rnil at 30 June 2024 (2023: Rnil) and cash and cash equivalents was invested in cash and call accounts that earn interest at a variable rate and therefore no sensitivity in the fair value was performed at 30 June 2024.

In addition, the Group has exposure to bank loans, expiring on 29 February 2028. Interest accrues at a rate that is based on JIBAR plus a margin of 4.0% and 3.75% respectively.

The table below demonstrates the implied sensitivity in annual finance costs of the Group and Company based on assumed changes to the JIBAR rate (8.35% at 30 June 2024) and assuming the level of borrowings at 30 June 2024 remained unchanged for a year. Given the current relative low and changeable level of cash and cash equivalents held, a sensitivity analysis on interest income is not deemed to be sensible.

		Group	Company	Group	Company
JIBAR		Per share impact Rand	Rand	Change in finance costs R'000	R'000
%					
±1.0%	9.3500	∓0.02	∓0.01	±5,225	±3,122
±2.0%	10.3500	∓0.04	∓0.02	±10,449	±6,244
±3.0%	11.3500	∓0.06	∓0.04	±15,674	±9,367

In respect of the interest rate benchmark reform, the Board believes that any potential change in the JIBAR-based interest payable on the loan facilities, will likely not have a material impact on the Group or Company.

24 Financial risk factors and instruments (continued)

24.6 Market risk (continued)

24.6.3 Equity price risk

The Group is indirectly exposed to equity price risk through the valuation of the underlying portfolio investments held by its investments in Funds. The fair value of these companies is largely derived from comparable market ratings, which are derived from public companies' quoted market prices and earnings. The underlying Portfolio Companies are valued quarterly and the Board has access to the valuation information to monitor and review the fair value of the investments and consider any impairments where appropriate – also refer to note 24.4.

The table below illustrates the sensitivity in the fair value of the unlisted investments held at 30 June 2024 based on fluctuations in the price of its unlisted investments.

	Group	**Company**	**Group and Company**
At 30 June 2024	**Per share impact Rand**	**Rand**	**Fair value adjustment R'000**
Change in equity prices assumed			
+10%	0.91	0.91	230,922
-10%	(0.91)	(0.91)	(230,922)
At 30 June 2023	**Per share impact Rand**	**Rand**	**Fair value adjustment R'000**
Change in equity prices assumed			
+10%	1.06	1.01	268,808
-10%	(1.06)	(1.01)	(268,808)

24 Financial risk factors and instruments (continued)

24.7 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial assets that expose the Group to credit risk consist of unlisted investments, money market investments (Temporary Investments), cash and cash equivalents and other assets and receivables. The Group's credit risk is limited to the carrying amount of these financial assets at the reporting date.

The Group believes that, through investing in Funds and Co-Investments managed by an experienced Investment Advisor with a proven track record, given the diverse number of Portfolio Companies each Fund invests in and by managing concentration risk in its portfolio, the risk is reduced. In addition, the Group has an Investment Committee with experienced members who enforce rigorous assessment, review and due diligence with each investment decision. The Board receives regular updates from the Investment Advisor to enable it to monitor the performance of the underlying investments. No collateral is taken against the credit risk exposures of the unlisted investments.

Other assets and receivables largely consist of prepayments, income tax receivable and balances that are receivable from the Funds with limited risk of a credit loss. At year-end, no balances were overdue or impaired and the majority of the balances have been settled or utilised post year-end.

Furthermore, the Group's Temporary Investments are managed by Ashburton, which is mandated to invest in treasury bills issued by the government of the Republic of South Africa as well as short-term paper issued by the big four South African banks and the investment management agreement has certain restrictions and limits, set by the Board, to manage the Group's credit risk exposure. Cash and cash equivalents are held with FirstRand Bank Limited (South Africa) and Investec Mauritius, which are reputable counterparties.

The below analysis sets out the Group's assessment of its aggregate credit risk for the current financial assets, which is considered in relation to assets that can be assessed based on available market ratings or where no ratings are available. Based on the analysis, no provision has been made for any credit losses.

		Group		Company	
At 30 June 2024	**Risk assessment**	**Rated R'000**	**Non-rated R'000**	**Rated R'000**	**Non-rated R'000**
Other assets and receivables	Low	–	4,087	–	4,085
Cash and cash equivalents	Low	15,005	–	14,549	–
At 30 June 2023	**Risk assessment**	**Rated R'000**	**Non-rated R'000**	**Rated R'000**	**Non-rated R'000**
Other assets and receivables	Low	–	5,394	–	5,392
Income tax receivable	Low	–	3,396	–	3,396
Cash and cash equivalents	Low	11,236	–	10,777	–

24 Financial risk factors and instruments (continued)

24.8 Liquidity risk

This risk occurs when the Group is unable to meet its short-term obligations, largely due to its inability to convert its financial assets into cash and cash equivalents. The Group's strategy is to make long-term commitments into Fund Limited Partnerships that invest in unlisted Portfolio Companies, which are not as readily realisable as quoted investments. At times, the Group follows an "over-commitment" strategy in respect of the allocation of capital with the aim of optimising the NAVPS returns by using appropriate levels of long-term facilities. The Group might struggle to generate liquidity on short notice and the Board therefore regularly monitors its forecasts, cash flows, commitment levels and available liquidity resources, the latter consisting of Temporary Investments that are tradeable on short notice in active markets and cash and cash equivalents.

The below analysis sets out the maturity profile of the Group's financial assets and financial liabilities.

	Group			Company		
At 30 June 2024	**0 - 3 months R'000**	**>3 months to 1 year R'000**	**> 1 year R'000**	**0 - 3 months R'000**	**>3 months to 1 year R'000**	**> 1 year R'000**
Unlisted investments at fair value	–	–	2,309,219	–	–	2,309,219
Other assets and receivables	4,087	–	–	4,085	–	–
Cash and cash equivalents	15,005	–	–	14,549	–	–
Borrowings	–	–	522,465	–	–	312,220
Other liabilities and payables	21,364	–	–	21,363	–	–
Income tax payable	105	–	–	105	–	–
At 30 June 2023	**0 - 3 months R'000**	**>3 months to 1 year R'000**	**> 1 year R'000**	**0 - 3 months R'000**	**>3 months to 1 year R'000**	**> 1 year R'000**
Unlisted investments at fair value	–	–	2,688,078	–	–	2,688,078
Other assets and receivables	5,394	–	–	5,392	–	–
Income tax receivable	–	3,396	–	–	3,396	–
Cash and cash equivalents	11,236	–	–	10,777	–	–
Borrowings	–	–	526,473	–	–	340,000
Other liabilities and payables	9,512	–	–	9,512	–	–

The Group has a commitment amount to the revolving facility of R450 million (with a further uncommitted level of R250 million). The current required total asset cover ratio is 3.0x, with the Group having an actual ratio at 30 June 2024 of >4.0x. Based on its liquidity forecast no covenant breaches are expected in the foreseeable future.

The Board believes that the Group has adequate resources and/or options available to them to settle its short and long-term obligations as and when they become due and it is expected to settle the long-term borrowings from the realisation proceeds of its investments. However, due to the difficulty in assessing the timing and quantum of such realisation proceeds, the gross value of proceeds and/or the repayment amount of the borrowings can not be reasonably determined. Given the short-term nature of the other financial assets and liabilities, the impact of discounting is not significant.

25 Events after the reporting period

On 24 June 2024, the Company announced that in line with its value unlock and maximisation strategy, the Board had decided to unbundle the Brait ordinary shares that were held indirectly by Ethos Capital through TRG AF VII and TRG DI, to its shareholders.

TRG AF VII and TRG DI respectively distributed Ethos Capital's proportion of the Brait ordinary shares held on 11 July 2024, whereafter the Company unbundled the shares to its shareholders on 22 July 2024. The total value of the unbundled Brait shares on the record date (19 July 2024) was R121.4 million, equating to a reduction of the Ethos Capital NAVPS of R0.48. The Brait ordinary shares traded at R0.94 per share at that time of the unbundling.

There have been no other material events after the reporting date that would require disclosure or adjustment to the Annual Financial Statements for the year ended 30 June 2024.

26 Directors' interests

The table below sets out the beneficial interests in the share capital of the Company directly or indirectly held by Directors at 30 June 2024:

	A Ordinary Shares			
Company	**30 June 2024 Number**	**30 June 2024 %**	**30 June 2023 Number**	**30 June 2023 %**
Direct beneficial				
Yvonne Stillhart	966,725	0.34	966,725	0.34
Indirect beneficial via associates				
Derek Prout-Jones	1,195,964	0.42	7,945,964[1]	2.76
Michael Pfaff	6,177,697	2.15	12,927,697[1]	4.50
	8,340,386	2.91	21,840,836	7.60

[1] *Including 6,750,000 shares held through Black Hawk, that was acquired by the Company on 28 June 2024.*

There have been no changes to the beneficial interests since 30 June 2024 to the approval date of these Annual Financial Statements.

27 Shareholdings

The analysis of public and non-public shareholders, and significant shareholdings in the Company at 30 June 2024 are as follows:

A Ordinary Shares

	30 June 2024 Number	30 June 2024 % of total	30 June 2023 Number	30 June 2023 % of total
Public shareholders	236,289,406	82.19	235,932,950	82.06
Non-public shareholders	51,210,594	17.81	51,567,050	17.94
Directors	8,340,386	2.90	21,840,386	7.60
CEO[1]	2,466,923	0.86	2,466,923	0.86
CFO[2]	650,000	0.22	650,000	0.22
EPE Trust	7,500,000	2.61	7,500,000	2.61
Black Hawk	13,500,000	4.70	–	–
Ethos Capital	12,614,901	4.39	12,614,901	4.39
TRG SA and Associates	6,138,384	2.13	6,494,840	2.26
	287,500,000	100.00	287,500,000	100.00

(1) *Peter Hayward-Butt*

(2) *Jean-Pierre van Onselen*

Shareholders of A Ordinary Shares

	30 June 2024 Number	30 June 2024 % of total	30 June 2023 Number	30 June 2023 % of total
Public shareholders	1,919	98.61	1,905	98.49
Non-public shareholders	27	1.39	30	1.51
Directors	3	0.15	4	0.21
CEO[1]	1	0.05	1	0.05
CFO[2]	1	0.05	1	0.05
EPE Trust	1	0.05	1	0.05
Black Hawk	1	0.05	–	–
Ethos Capital	1	0.05	1	0.05
TRG SA and Associates	19	0.99	22	1.10
	1,946	100.00	1,935	100.00

Shareholders with a direct shareholding of more than 5%:				
A Ordinary Shares				
Consolidated Retirement Fund	26,666,666	9.28	26,666,666	9.28
Government Employees Pension Fund	15,659,005	5.45	14,981,623	5.21
B Ordinary Shares				
EPE Trust	10,000	100.00	10,000	100.00

SPREAD OF SHAREHOLDERS

The analysis of the spread of the shareholders' size of their respective shareholdings by the number of shareholders and number of A Ordinary shares at 30 June 2024 is as follows:

Company	Number of shareholders 30 June 2024	% of shareholders 30 June 2024	Number of A Ordinary Shares 30 June 2024	% of total A Ordinary Shares 30 June 2024
Shareholder spread				
1 – 50,000 shares	1,709	87.82	7,802,257	2.72
50,001 – 500,000 shares	151	7.76	26,740,181	9.30
500,001 – 1,000,000 shares	39	2.01	28,397,993	9.88
1,000,001 – 5,000,000 shares	32	1.64	63,224,043	21.99
5,000,001 – 10,000,000 shares	8	0.41	54,602,721	18.99
More than 10,000,000 shares	7	0.36	106,732,805	37.12
	1,946	100.00%	287,500,000	100.00%

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

Rohatyn Management South Africa (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Office Level 3
Rosebank
2196

Company Secretary and registered office

C/o Ocorian Corporate Services (Mauritius) Limited
Level 6, 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 Ltd
Abbreviated name: ETHOSCAP
JSE code: EPE
Sector: Financials – Closed End Investments

Transfer Secretary

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Sponsor

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