ETHOS CAPITAL

FINANCIAL RESULTS

for the year ended 30 June 2021

21

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

INCORPORATED IN THE REPUBLIC OF MAURITIUS

REGISTRATION NUMBER: C138883 C1/GBL

ISIN: MU0522S00005

SHARE CODE: EPE

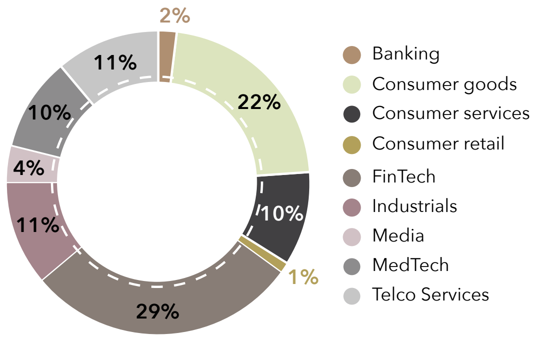
FINANCIAL AND OPERATIONAL HIGHLIGHTS

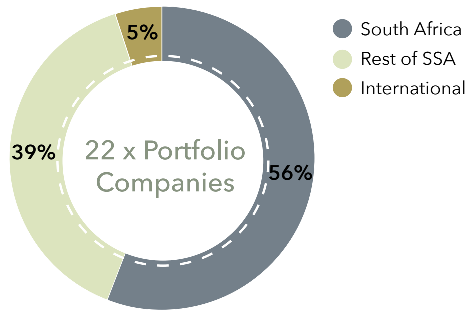
A year of recovery and growth post the unprecedented global COVID pandemic

R1.8 billion carrying value of invested capital and **R9.19** NAVPS

R150 million realised, including partial sale of Channel VAS (25% IRR); **4x** bolt-on acquisitions completed within portfolio

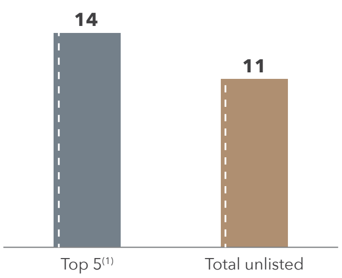
a well-diversified portfolio



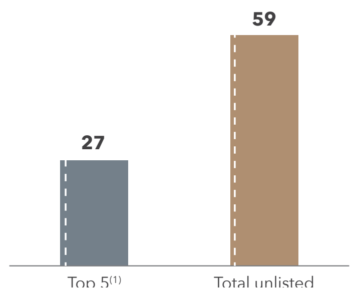


the benefit of cost-saving initiatives and improved operating leverage has manifested in some strong recoveries

LTM attributable revenue growth of unlisted portfolio – %



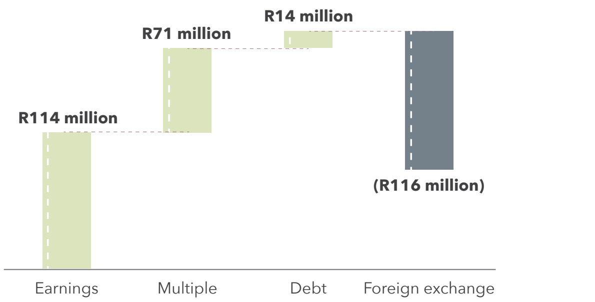
LTM attributable EBITDA growth of unlisted portfolio – %



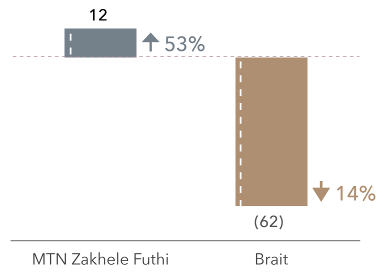
[1] *61% of total assets.*

as is reflected in portfolio valuation movements over the year

UNLISTED PORTFOLIO VALUATION MOVEMENTS

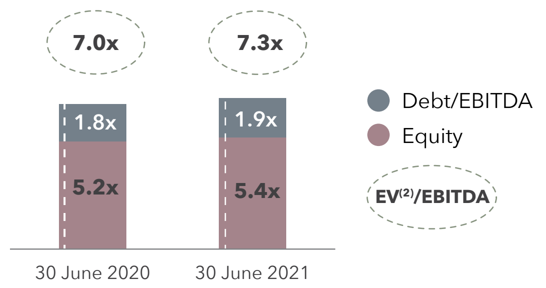


LISTED PORTFOLIO VALUATION MOVEMENTS

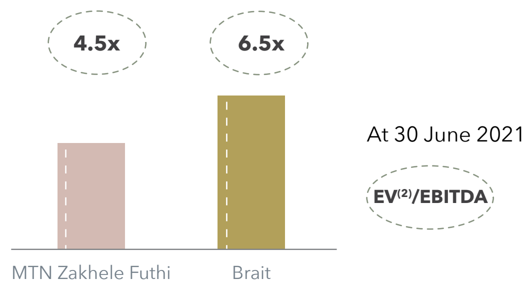


largely static valuation multiples

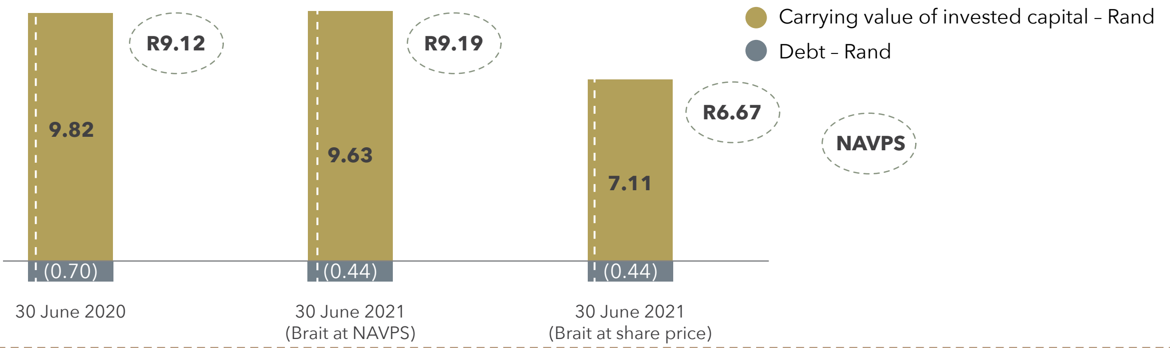
UNLISTED PORTFOLIO



LISTED PORTFOLIO

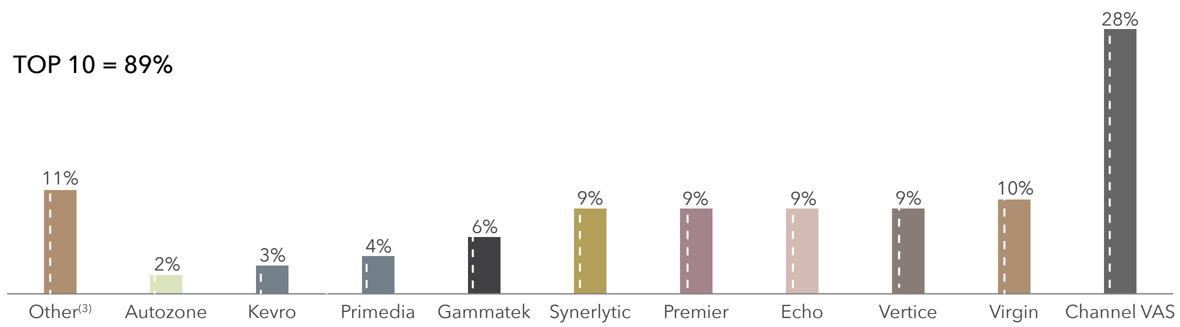


with potential for further recovery in NAVPS



TOTAL ASSETS CONTRIBUTION – R1.9 BILLION

TOP 10 = 89%



[2] *Enterprise value.*
[3] *Including 12 Portfolio Companies and current assets.*

RESULTS FOR THE YEAR ENDED 30 JUNE 2021, AVAILABILITY OF AUDITED AFS AND NOTICE OF AGM

Introduction

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

The Group's performance is largely measured by the growth in the net asset value ("NAV") and NAV per share ("NAVPS").

A. RESULTS ANNOUNCEMENT

Overview

The past year has been a rollercoaster for the economic fortunes of Ethos Capital's Portfolio Companies. A significant majority of them have seen strong operating performance and growth post the initial hard lockdowns imposed by governments around the world. The benefit of the cost-saving initiatives and improved operating leverage has manifested in stronger than expected recoveries across many of these businesses. However, some of these Portfolio Companies were impacted by the recent social unrest across South Africa, the indirect impacts of which will be felt for some time to come. Furthermore, a number of these companies have continued to be adversely impacted by the COVID-enforced lockdowns and restrictions on normal consumer access.

While the COVID pandemic resulted in closures across most of the Portfolio Companies during the lockdown periods, the majority posted strong recoveries with the largest five unlisted investments (equating to 61% of total assets) achieving growth in their attributable last 12 months ("LTM") revenue and EBITDA of 14% and 27% respectively in the year to 30 June 2021. As at 30 June 2021, the implied EV/maintainable EBITDA of the unlisted portfolio that is valued on an earnings-based methodology, increased slightly to 7.3x and the implied price earnings ratio is 12.5x.

Ethos Capital's unlisted portfolio achieved a 7% return for the year. The reduction in the valuation of the COVID-impacted assets (Kevro, Twinsaver, Ster Kinekor and Primedia) negatively impacted the total return by 8%, implying a 15% return for the remainder of the unlisted portfolio. This was achieved despite the negative impact on the Channel VAS valuation, due to the strengthening of the ZAR:US$, which reduced the return by 8%. The Ethos Capital NAVPS, including Brait at its last reported NAVPS that decreased by 4% during the year, increased from R9.12 to R9.19. The Ethos Capital NAVPS, including Brait at its share price that declined by 14% over the year, increased from R6.65 to R6.67.

During the year, Ethos Capital received proceeds of R150 million from various disposals, the largest of which was the partial sale of Channel VAS in December 2020 for c.R76 million, which achieved a 1.6x MOIC and an IRR of 25%. While the investment environment was subdued, Ethos Capital invested c.R29 million, including four acquisitions that were completed within the existing portfolio.

The impact of COVID is likely to be felt for some time and the macroeconomic outlook for South Africa, while improving, remains volatile. However, it is likely that the number of available investment opportunities will continue to remain robust and economic growth in other sub-Saharan African countries will also provide exciting investment opportunities for the various Funds.

Presentation

Ethos Capital will host a webcast presentation at 11h00 am on Monday 27 September 2021 covering the results relating to the year ended 30 June 2021, and outlook. A copy of the presentation is available for download on the Company's website at *https://ethoscapital.mu/investors/reports-results/*.

For their convenience on the day, participants should please register for the webcast in advance, or can join via conference call, by navigating to this website: https://www.diamondpass.net/8370699 or can join the webcast directly on the day (registration details will still be required) at:
https://services.choruscall.com/links/ethos10040592.html

B. CHIEF EXECUTIVE OFFICER'S REVIEW

"The economic impact of COVID has forced many businesses to reinvent themselves and their customer offerings, and many of these enforced changes will lead to materially better businesses over the medium term."

Peter Hayward-Butt
Chief Executive Officer

Review of the year

The past year has been a rollercoaster for the economic fortunes of Ethos Capital's Portfolio Companies. A significant majority of the Portfolio Companies has seen strong operating performance and growth post the initial hard lockdowns imposed by governments around the world. The benefit of the cost-saving initiatives and improved operating leverage has manifested in stronger than expected recoveries across many of these businesses. Unfortunately, some of these companies were impacted by the recent social unrest across South Africa, the indirect impacts of which will be felt for some time to come. However, a number of the Portfolio Companies has continued to be adversely impacted by the enforced lockdowns and restrictions on normal consumer access.

While the macroeconomic landscape in South Africa remains weak, the economy appears to have rebounded faster than most commentators had forecast and the outlook across some key sectors remains relatively positive. The economic impact of COVID has forced many businesses to reinvent themselves and their customer offerings, and many of these enforced changes will lead to materially better businesses over the medium term. Many of Ethos Capital's Portfolio Companies have pivoted extremely well and used the last 12 months to strengthen their market positions and grow their businesses. The robust growth is likely to continue in an economy that has to find ways to cope with the longer-term impacts that COVID is likely to have on societies globally.

In my opinion, it is imperative that the South African government and the private sector work collaboratively to resolve many of the structural and societal issues that have plagued the country and led to the unrest and economic destruction that resulted. Ethos continues to focus its ESG efforts across its Portfolio Companies to achieve a more equitable and prosperous society that will better peoples' lives and provide a platform for long-term sustainable economic growth.

The 2021 financial year delivered positive growth in underlying earnings before interest, tax, depreciation and amortisation ("EBITDA") of almost all of the unlisted Portfolio Companies (90% by value) as these companies emerged from the height of the COVID pandemic. The growth demonstrated the market leadership of many of the businesses, which managed to grow market share and extend their market reach across new products and geographies. While there was an element of base effect in the growth rates, many of the Portfolio Companies have achieved higher profitability levels than pre-COVID, which is a credit to the focus and resilience of the management teams. The valuation of the majority of unlisted assets has increased during the year.

In a diversified portfolio there will inevitably be underperforming assets and some of the Portfolio Companies continue to be impacted by the ongoing impacts of COVID restrictions globally. Companies such as Virgin Active, Ster Kinekor and Kevro have faced multiple challenges to their businesses due to the stop-start nature of the government responses.

As a consequence, these companies have seen a reduction in their underlying valuations which has adversely impacted the overall return.

Ethos Capital's unlisted portfolio achieved a 7% return for the year. The reduction in the valuation of the COVID-impacted assets (Kevro, Twinsaver, Ster Kinekor and Primedia) negatively impacted the total return by 8%, implying a 15% return for the remainder of the unlisted portfolio. This was achieved despite the negative impact on the Channel VAS valuation, due to the strengthening of the ZAR:US$, which reduced the return by 8%. Brait's NAVPS decreased by 4% during the year, which resulted in Ethos Capital's NAVPS increasing marginally from R9.12 to R9.19. The Ethos Capital NAVPS including Brait at its share price, increased from R6.65 to R6.67.

A significant number of Ethos Capital's Portfolio Company assets have been through their investment cycle and are now reaching the end of their investment period and will look to be realised. During the year, Ethos Capital received proceeds of R150 million from various disposals, the largest of which was the partial sale of Channel VAS in December 2020 for c.R76 million, which achieved a 1.6x multiple of invested capital ("MOIC") and an IRR of 25%. Pleasingly, almost all of the realisations achieved valuations in excess of the prevailing NAV which demonstrates the robustness of Ethos' valuation methodology. Many of the Portfolio Companies are market leaders in their sectors and remain sought after acquisitions for trade and financial players alike.

Despite the difficult operating environment, the benefit of active management in private markets has been demonstrated in the sector-leading growth of a number of the Portfolio Companies. Private equity as an asset class has outperformed the public markets over an extended period and Ethos is committed to driving and realising value from the Ethos Capital portfolio.

Company strategy

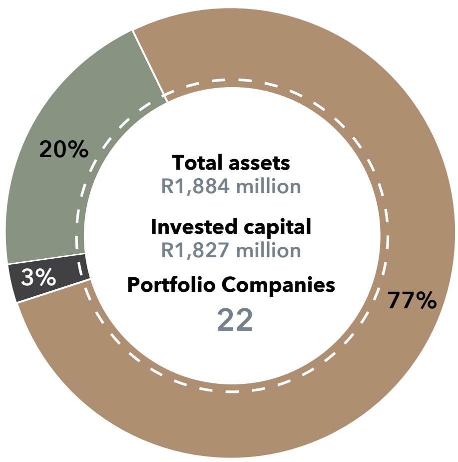
Ethos Capital provides its shareholders with access, both indirectly (through Fund investments) and directly (through Co-Investments), to a diversified portfolio of unlisted companies that are actively managed by Ethos ("the Manager"). Ethos Capital aims to deliver consistent, market-beating returns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

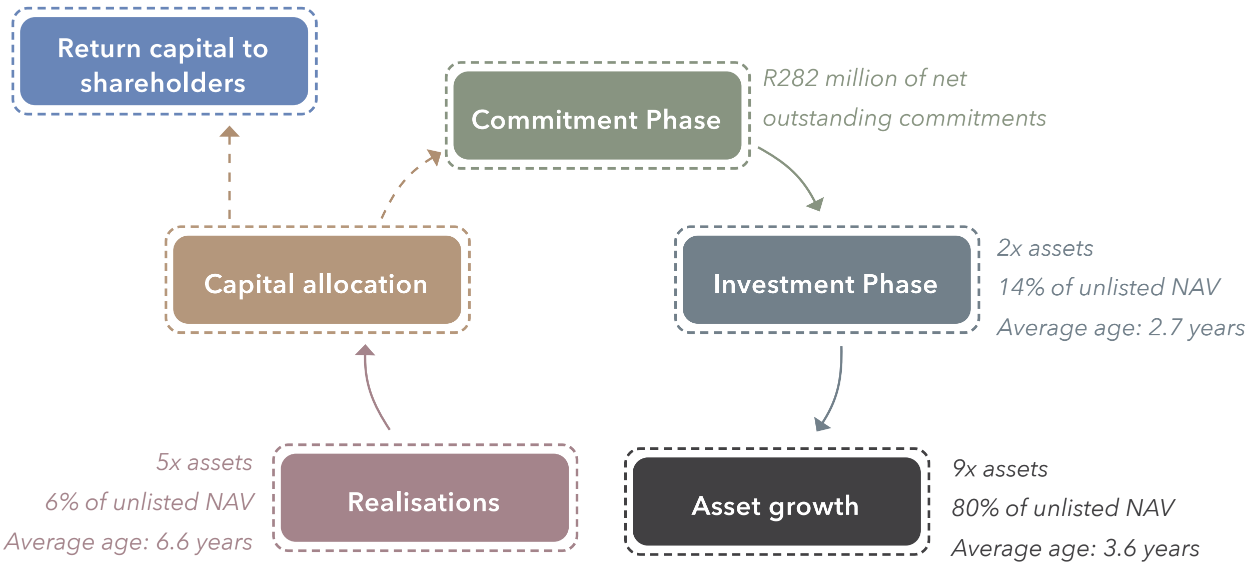
Ethos Capital invests using Primary, Secondary and Co- Investment strategies to access private equity-backed companies, as set out below.

1 **Primary Investment** – *Invest in new Ethos Funds when they are established*

2 **Secondary Investment** – *Replace Fund investors in Ethos Funds late into or post the Investment Phase*

3 **Co-Investment** – *Invest into Portfolio Companies directly alongside the Ethos Funds*





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

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

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

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

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

Ethos has a long, successful track record. Since 1984, Ethos's large equity Funds have invested in 110 Portfolio Companies, 98 of which have been sold generating a realised gross IRR of 24%.

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

- the largest and most experienced team of private equity professionals in SSA (27 investment professionals, including 16 investment partners);
- a world-class governance platform and investment process which leverages the experience of doing deals on the continent for 37 years; and
- sector expertise and domain knowledge (such as artificial intelligence ("Ai")) in addition to an extensive understanding of all aspects of the private equity life cycle.

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

Performance overview

Despite a difficult year, the South African economy has rebounded relatively strongly from the depths of the COVID enforced lockdowns. Growth rates across key sectors have exceeded expectations and the benefits of better fiscal discipline have begun to be felt in the economy. While many structural and fiscal issues remain, consumer sentiment has started to improve and producer confidence is returning post the lockdowns. Managing the economy while alleviating key social imbalances will be key for the sustainability of South Africa's long-term prosperity.

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

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

1. Technology-driven disruption to "business as usual"
2. Transportable business models scaling across countries
3. Demand-led growth in higher LSM consumer goods
4. Lowest cost-to-serve, scalable businesses
5. High-impact, differentiated services
6. Growing connectivity and data access

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

While the COVID pandemic resulted in closures across most of the Portfolio Companies during the lockdown periods, most of the Portfolio Companies posted strong recoveries with the largest five unlisted investments (equating to 61% of total assets) achieving growth in their attributable LTM revenue and EBITDA of 14% and 27% respectively in the year to 30 June 2021.

The investment focus for the year was on Portfolio Company consolidation and growth of Portfolio Companies' existing market positions and, as such, almost all of the capital invested was in bolt-on acquisitions by Portfolio Companies.

Investments

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

Ethos Fund VI

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

At 30 June 2021, Ethos Capital has undrawn commitments of R12 million to EF VI.

Ethos Fund VII

Ethos Fund VII ("EF VII") is the successor large equity fund for EF VI.

The Fund has completed three investments, of which Ethos Capital invested c.R800 million:

- Channel VAS, a provider of airtime credit services to prepaid mobile subscribers, with operations and contracts with mobile network operators across 28 countries in Africa, the Middle East, Asia and Latin America;
- Echo, a corporate internet service provider that provides information and communications technology services through an aggregation of third party networks; and
- Brait, a listed investment holding company with a portfolio consisting of Virgin Active, Premier, New Look and Consol Glass.

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

Ethos Mid Market Fund

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

Ethos Capital has undrawn commitments of R319 million to EMMF I.

Ethos Mezzanine Fund

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

Ethos Capital had committed R250 million out of the total commitments of US$123 million (c.R1.8 billion). In order to strengthen its liquidity position, Ethos Capital has entered into a series of transactions including the sale of US$6 million of its commitments to an existing partner of EMP 3, which has reduced its outstanding commitments to EMP 3 to Rnil.

Ethos Ai Fund I

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

Ethos Capital has committed R150 million as a first close investor, with the Fund having its final close in November 2020, closing with commitments of R745 million. Following the final close, Ethos Capital received equalisation proceeds of over R25 million. It has outstanding commitments of R75 million to the Fund at 30 June 2021.

Ethos Healthcare Platform

The Ethos Healthcare Platform ("EHP") has continued to invest behind the buy-and-build strategy for Vertice, a medical technology ("MedTech") business that it acquired in May 2018 alongside EF VI and EAiF I. In addition to the five acquisitions that were completed to June 2020, a further two complementary medical software businesses were acquired during the year. Ethos Capital has invested R121 million into the platform to date.

Valuations

The COVID pandemic initially had a significant impact on both maintainable EBITDA and valuation multiples of the Portfolio Companies. The market has significantly rerated off its COVID lows and in many sectors, fully recovered. However, Ethos decided to keep multiples at similar levels to those prevailing at March 2020 until the sustainability of the recovery and Portfolio Company performance is entrenched. In many of the Portfolio Companies, profitability has returned to pre-COVID levels and the outlook for growth remains robust and, as such, multiples are likely to trend back in line with market performance.

As at 30 June 2021, the implied EV/maintainable EBITDA of the unlisted portfolio that is valued on an earnings-based methodology, increased slightly to 7.3x and the implied price earnings ratio ("PER") is 12.5x.

Based on the Ethos Capital share price as at 30 June 2021, the equivalent "market-implied" EV/maintainable EBITDA and PER are 4.7x and 8.0x respectively.

Share price performance

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

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

Liquidity

At 30 June 2021, Ethos Capital had invested 97% of its total assets across a portfolio of 22 companies with a combined EBITDA of c.R2.7 billion (excluding Brait and the MTN Group). The Company has current net cash liquidity of c.R45 million.

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

Ethos Capital concluded a debt facility with Rand Merchant Bank ("RMB") in February 2020. The Board believes that it is prudent to utilise limited leverage to supplement its equity invested into various Funds and Co-Investments. The Board considers both the asset cover (total assets/net debt) and the "look-through" net debt:EBITDA ratio of the portfolio in determining the optimal level of debt to utilise for investment purposes. The current maintainable net debt:maintainable EBITDA of the Portfolio Companies is 1.9x.

Outlook

The impact of COVID is likely to be felt for some time and the macroeconomic outlook for South Africa, while improving, remains volatile. However, it is likely that the number of available investment opportunities will continue to remain robust and economic growth in other SSA countries will also provide exciting investment opportunities for the various Funds.

Ethos made good progress on a number of disposals (Iceland, DGB, Waco International and Eaton Towers) despite the difficult market conditions, and this remains a focus of the Fund teams over the medium term.

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

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

Peter Hayward-Butt
Chief Executive Officer

C. REVIEW OF THE INVESTMENT PORTFOLIO AND RETURNS

Performance

NAV and NAVPS

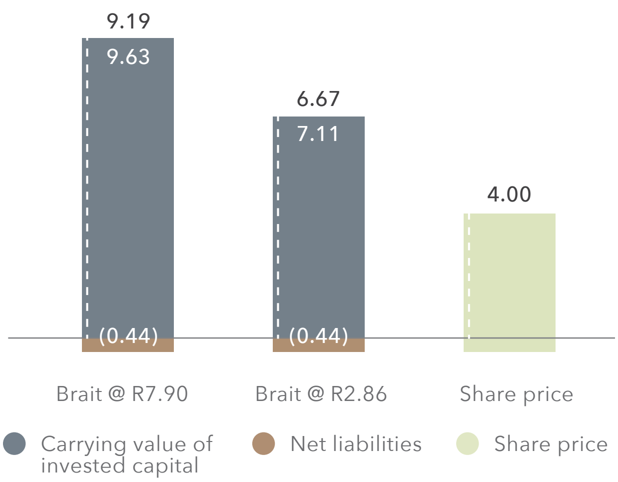
As an investment company, the performance of the NAV and NAVPS is considered the most appropriate measurement of the Group's financial performance. The NAVPS is derived from the underlying NAV of the Group, consisting of the aggregate of invested capital and net cash/assets or liabilities, and the number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

The Ethos Capital Group's NAVPS, based on Brait's last reported NAVPS (as at 31 March 2021), increased by 1% over the year from R9.12 (at 30 June 2020) to R9.19 at 30 June 2021. This was driven by a c.7% return achieved on the unlisted portfolio, resulting from positive contributions from Channel VAS, Synerlytic, Gammatek and Vertice that compensated for negative returns from Kevro, Twinsaver, Primedia and Ster Kinekor. The listed portfolio decreased by 3% over the year, as a result of Brait's NAVPS decreasing from R8.27 to R7.90 (31 March 2020 to 31 March 2021). The investment in MTN Zakhele Futhi increased by over 50% during the year.

The corresponding 30 June 2021 Group NAVPS, based on the 30 June 2021 Brait share price, was relatively flat over the year at R6.67 (30 June 2020: R6.65). The Brait share price decreased from R3.34 (30 June 2020) to R2.86 over the year, a c.14% decline and implies a discount to its NAVPS of c.64%.

The Group's share price at 30 June 2021 was R4.00.

GROUP NAVPS AND SHARE PRICE
AT 30 JUNE 2021 – RAND



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

	NAV R'000	NAVPS Cents
At 30 June 2020	1,711,750	6.65
Net return on Temporary Investments	979	–
Net return on investment portfolio	55,168	0.22
Operating expenses	(8,184)	(0.03)
Finance costs	(14,639)	(0.06)
Fees paid to Ethos	(23,705)	(0.09)
Taxation	(4,979)	(0.02)
At 30 June 2021 (with Brait at share price)	**1,716,390**	**6.67**
Incremental Brait increase to NAVPS	650,756	2.52
At 30 June 2021 (with Brait at NAVPS)	**2,367,146**	**9.19**

The investment portfolio achieved a net gain of R55.2 million during the year, resulting from realised and unrealised gains on the unlisted portfolio of R107.2 million, unrealised losses on the listed portfolio of R50.5 million, largely driven by movements in the Brait share price, as well as some portfolio expenses. These movements are detailed further in the report.

Operating expenses totalled R8.2 million or less than 0.5% of the Group's average NAV over the year. These expenses relate to Directors' remuneration (R4.5 million), auditors' remuneration, legal and professional fees, listing-related fees and other general costs.

The fees payable to Ethos acting as the Company's Investment Advisor and Investment Manager of the Funds and Co-Investments, totalled R23.7 million, equating to less than 1.4% of the Group's average NAV over the year.

Finance costs relate to accrued interest on the Group's loan facility, interest paid on the Company's revolving credit facility that was largely drawn during the first half of the year, and commitment fees levied on the latter.

Taxation of R5.0 million was as a result of withholding tax (R4.0 million) from income distributions received during the year, largely from Channel VAS, and the Mauritian income tax expense for the year.

Further details on expenses are provided in notes 8 and 11 of the Notes to the Summarised Annual Financial Statements.

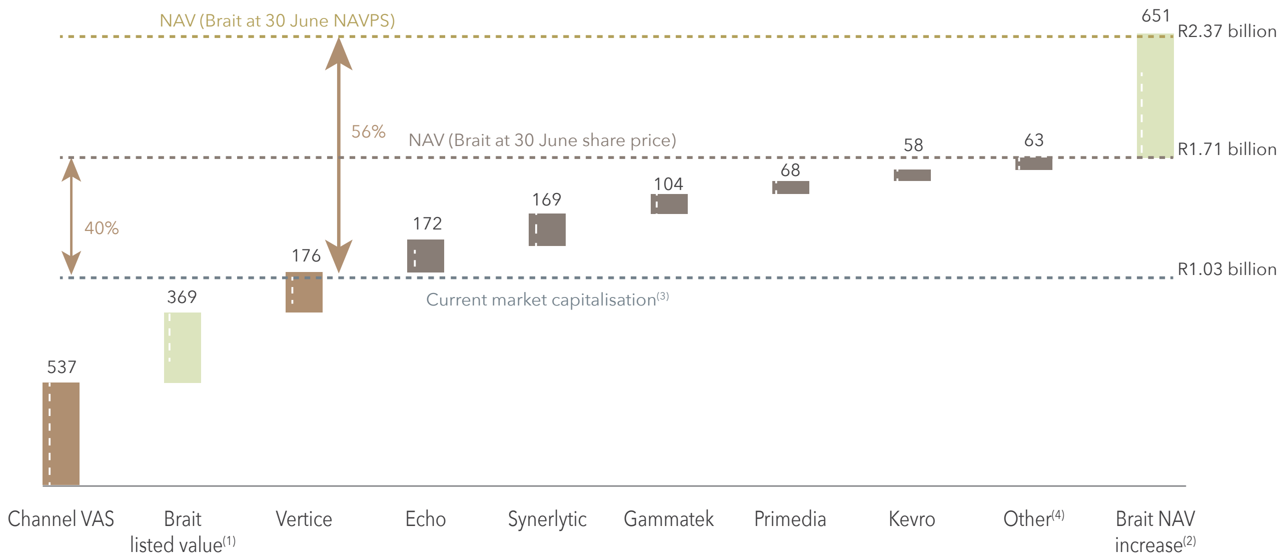
Share price analysis

As noted, the share price ended the year at R4.00, slightly down on the 30 June 2020 share price of R4.11. The share price represented a 40% discount to the Group's 30 June 2021 NAVPS, and 56% compared to the increased NAVPS that reflects the Brait investment at its last reported NAVPS.

The Group's market capitalisation as at 30 June 2021 of R1.03 billion represents 95% of the NAV of the top three investments – Channel VAS, Brait (at its share price) and Vertice. This represents a discount of 40% to the total Group NAV (Brait included at its share price) of c. R1.71 billion.

By including Brait at its last reported NAVPS, the adjusted NAV of the Group increases to c. R2.37 billion, resulting in a market capitalisation discount to the adjusted NAV of 56%.

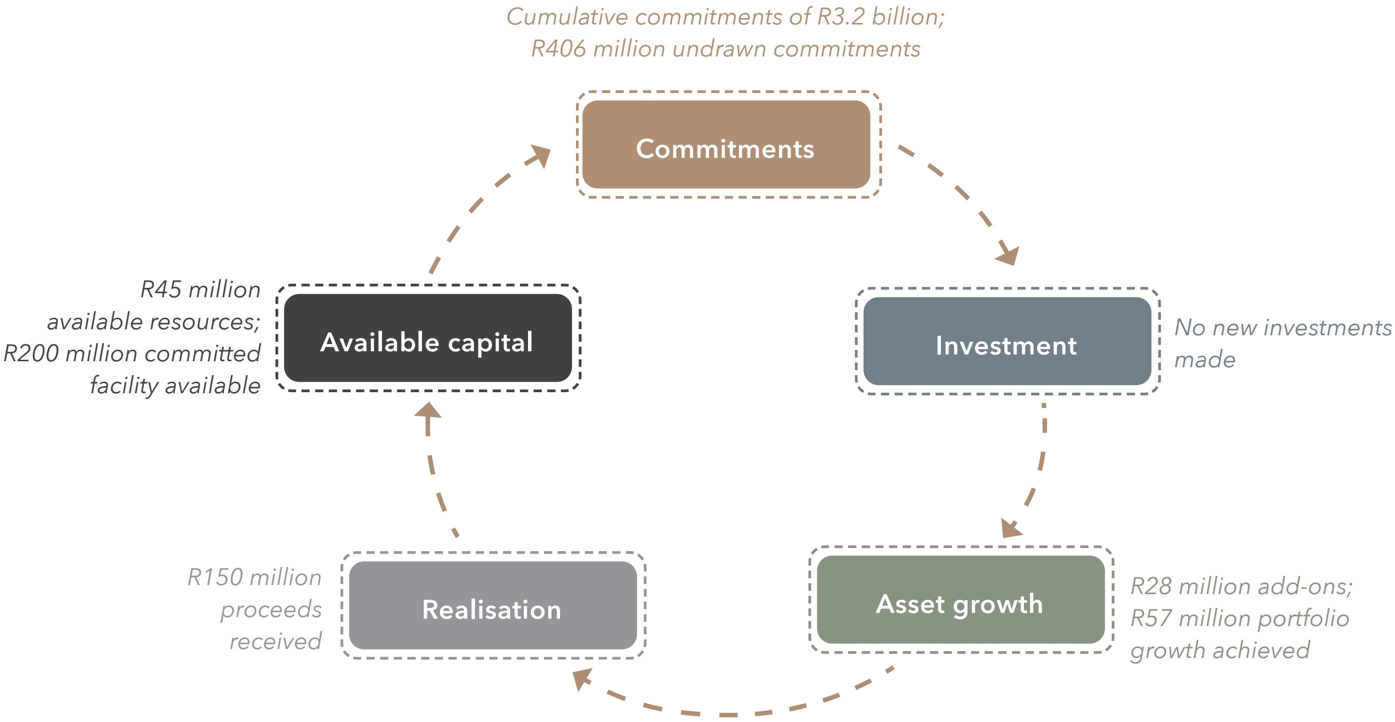
ATTRIBUTABLE NAV (Brait at 30 June NAVPS) – R'million



(1) Brait listed share price as at 30 June 2021 of R2.86.
(2) Brait NAVPS as at 31 March 2021 of R7.90.
(3) Ethos Capital share price as at 30 June 2021 of R4.00.
(4) Including 11 other investments.

Private equity activity cycle

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



Commitments to Ethos

There were no new commitments to Ethos Funds made during the year; at 30 June 2021, the Company had cumulative commitments to Ethos Funds of R3.2 billion, of which R0.4 billion were undrawn as detailed below.

Name	Vintage	Share of Ethos investors %	Commitment R'000	Undrawn R'000
EMMF I	2016	38 – 43	950,000	318,915
EAi FI	2018	20	150,000	75,262
EF VI[1]	2011	<2	142,725	12,175
				406,352

(1) US$10 million commitment.

Investments

Investment portfolio

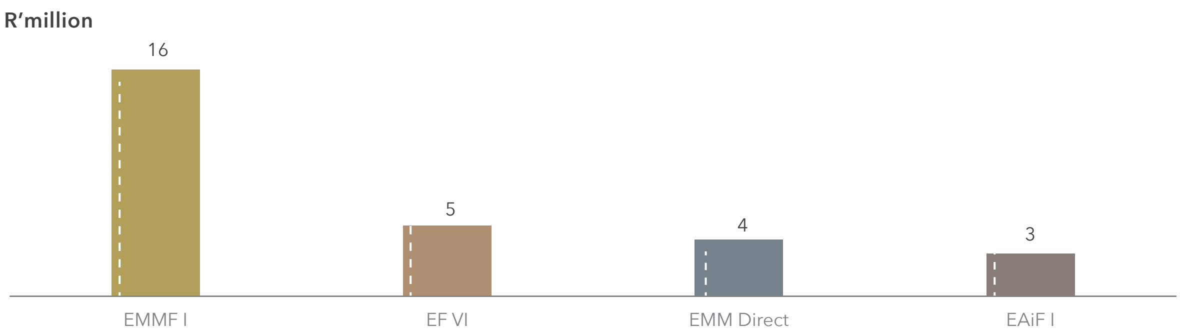
At 30 June 2021, the investment portfolio of the Company consisted of the following investments, which amounted to 97% of the total assets:

Investment name	Participation in Ethos Funds/ Co-Investments %	Valuation R'000	Share of total assets %
Primary/Secondary Investments			
EF VII	61	697,765	37.0
EMMF I	38 – 43	456,381	24.2
EHP	13	137,647	7.3
EAiF I	20	98,036	5.2
EF VI	<2	59,820	3.2
EMP 3	n/a	6,856	0.4
Co-Investments			
Brait[(1)]	6	214,758	11.4
Primedia[(2)]	4	64,298	3.4
Channel VAS[(1)]	1	61,215	3.3
Kevro[(3)]	9	30,560	1.6
Ster Kinekor[(4)]	4	–	–
Total invested capital		**1,827,336**	**97.0**

[(1)] *Investment in EDI, which co-invested in Brait SE and Channel VAS Investments Ltd BVI.*
[(2)] *Investment in Primedia Holdings (Pty) Ltd.*
[(3)] *Investment in Kevro Holdings (Pty) Ltd, held through EMM Direct.*
[(4)] *Investment in Ster Kinekor Theatres (Pty) Ltd.*

Ethos Capital invested R28.5 million during the year into Ethos Funds – more details on the underlying investments are provided below and on the following page.

Details of the capital drawdowns by Fund are provided below:



Underlying Portfolio Companies

The Ethos Funds invest in a diversified pool of unlisted Portfolio Companies which provides the Company with a diversified portfolio of underlying investments. The investment environment was fairly subdued during the year, given the significant impact and uncertainties that the ongoing COVID pandemic created, and only bolt-on investments were made during the year, as detailed below.

The EHP MedTech investment, Vertice, completed its sixth bolt-on acquisition to further consolidate its position in these complementary, high-growth products and markets. The acquisition of the PSSG Group, a medical software business that provides Ai-enabled solutions to healthcare professionals in Africa, completed in November 2020. Through its investment in EF VI, EAiF I and EHP, Ethos Capital's cumulative investment participation (at cost) is R127.1 million. In March 2021, Vertice completed its seventh bolt-on acquisition, MicroMed, a surgical drapes supplier. Vertice funded the acquisition via its own funding facility.

During January 2021, the EMMF I's investment in Synerlytic completed its fourth bolt-on acquisition, an investment in CDN Resources Laboratories Ltd ("CDN"). Based in Canada, CDN will expand Synerlytic's market share within the certified reference material ("CRM") sector and entrench Synerlytic as one of the top global mineral CRM suppliers. Ethos Capital's participation in the follow-on investment was R11.4 million.

In addition, Ethos Capital invested a further R13.2 million into the existing Portfolio Companies of EMMF I and EF VI, relating to Eazi Access, Ster Kinekor and RTT.

At 30 June 2021, the underlying investments consisted of the following 22 Portfolio Companies:

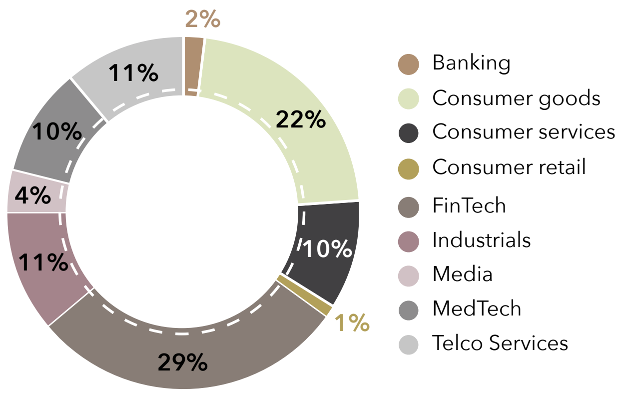
Name	Business description	Year*	% of total assets	Cumulative % of total assets
Channel VAS	FinTech service provider	2018	28.5	28.5
Virgin Active (Brait)	Health club operator	2020	9.5	38.0
Vertice	MedTech	2018	9.3	47.3
Echo	Corporate ISP	2018	9.1	56.4
Premier (Brait)	FMCG manufacturer	2020	9.0	65.4
Synerlytic	Specialised analytical and testing services	2019	9.0	74.4
Gammatek	TMT accessory distribution	2018	5.5	79.9
Primedia	Media	2017	3.6	83.5
Kevro	Corporate clothing and gifting	2017	3.1	86.6
Autozone	Automotive parts retailer and wholesaler	2014	2.0	88.6
MTN Zakhele Futhi	Telecommunications	2017	1.8	90.4
TymeBank	Banking	2019	1.6	92.0
Eazi Access	Industrial support services	2016	1.0	93.0
The Beverage Company	Carbonated drinks manufacturer	2017	0.9	93.9
New Look (Brait)	Multi-channel fast-fashion brand	2020	0.7	94.6
Consol Glass (Brait)	Manufacturer of glass packaging	2020	0.4	95.0
RTT	Logistics	2014	0.4	95.4
Neopak	Paper and packaging	2015	0.4	95.8
Twinsaver	Manufacturing (FMCG)	2015	0.4	96.2
Waco International	Industrial support services	2012	0.4	96.6
Chibuku	Brewing and distribution	2018	0.4	97.0
Ster Kinekor	Media (entertainment)	2017	–	97.0
			97.0	

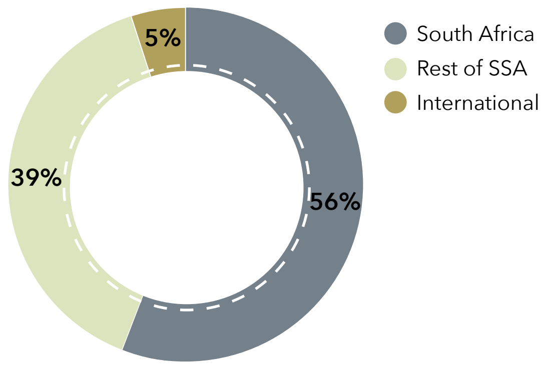
** Initial acquisition date by Ethos Fund.*

Asset growth

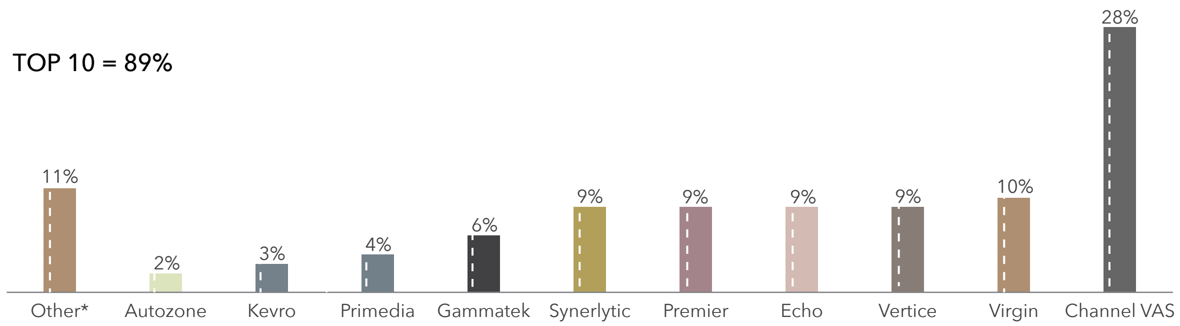
Portfolio Company performance

Ethos Capital's investment portfolio at 30 June 2021 has exposure to 22 Portfolio Companies that in aggregate (excluding Brait and the MTN Group) have sales of just under R23 billion and EBITDA of almost R2.7 billion. The Portfolio Companies span a number of sectors and geographies, providing diversified portfolio exposure.





At 30 June 2021, the contribution of each underlying Portfolio Company to the total assets of R1.9 billion, of which the top 10 investments make up 89% of the total assets, as per the below. Despite a partial realisation of the Channel VAS investment, the company's strong performance resulted in Channel VAS being a materially outsized asset in the portfolio.



** Including 12 Portfolio Companies and current assets.*

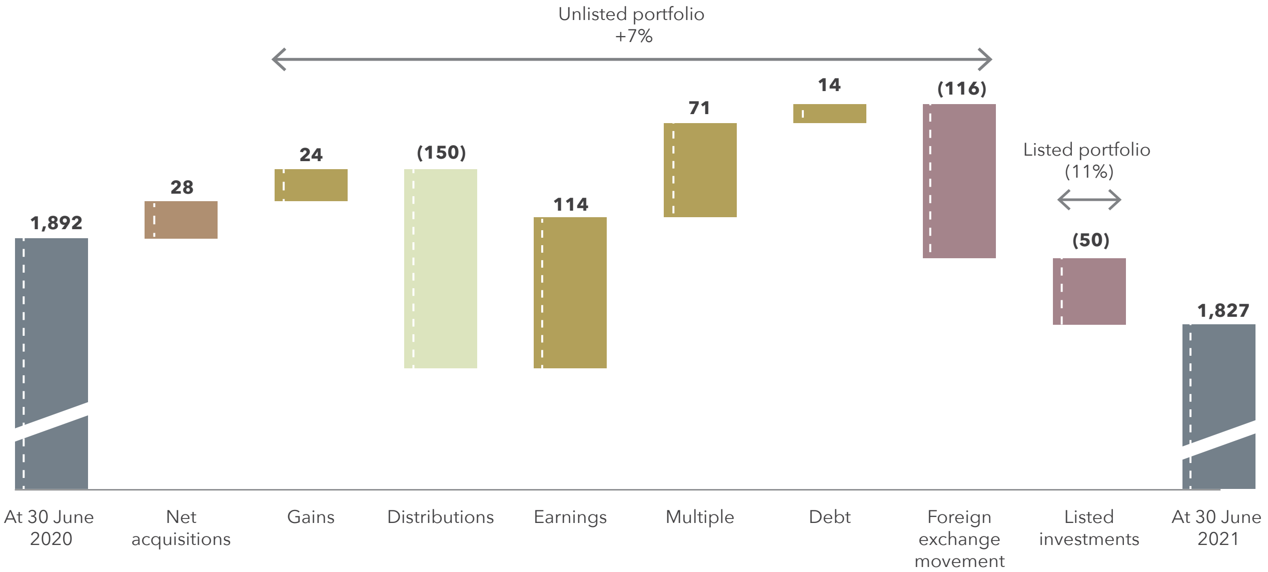
The COVID pandemic continues to impact a number of the Ethos Capital Portfolio Companies; however, the performance of the unlisted portfolio showed a strong rebound during the latter part of the financial year, and valuations have consequently increased. While COVID-enforced lockdowns continue to impact company performance and profitability, many of the Portfolio Companies have implemented robust operational strategies to counter these effects which have led to strong operational performance, in many cases significantly ahead of management forecasts.

The gross (pre-expenses) return of the unlisted investment portfolio over the year was R107.2 million, delivering a 7% return. Companies that were significantly impacted by COVID (Kevro, Twinsaver, Ster Kinekor and Primedia) negatively impacted the aggregate return and achieved a -8% return over the year. The remainder of the unlisted portfolio benefit from the strong rebound and achieved an implied 15% return over the year, despite a significant devaluation of Channel VAS due to the strengthening of the ZAR over the year against the US$ that reduced the aggregate unlisted portfolio return by -8%.

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

- dividends received and realised gains, largely from Channel VAS, of R23.9 million;
- an increase in attributable maintainable EBITDA resulting in a value increase of R114.5 million;
- an increase driven by the implied valuation multiple of c.7.3x of R71.4 million;
- a decrease in sustainable net debt accounting for a R13.7 million appreciation; and
- an 18% strengthening of the ZAR against the US$ contributed a devaluation of R116.3 million.

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



Channel VAS has continued its strong growth in profitability with robust revenue growth due to increased penetration of existing contracts, new deployments and best-in-class default management and cost control measures. Travel restrictions due to COVID have impacted progress on new deployments; however, the business development pipeline continues to grow as management refines its delivery methods and improves communication channels to support customers and roll-out new deployments.

Vertice, which completed its seventh bolt-on acquisition in March 2021, has continued to grow its businesses organically despite the impact that the COVID pandemic has had on elective surgeries during the earlier part of 2020. It recovered strongly post the relaxation of the hard lockdown restrictions towards the end of last year, with the expectation to repeat that post the current third-wave lockdowns. The business remains on track to show robust earnings growth and continues to develop as one of the leading players in the MedTech space.

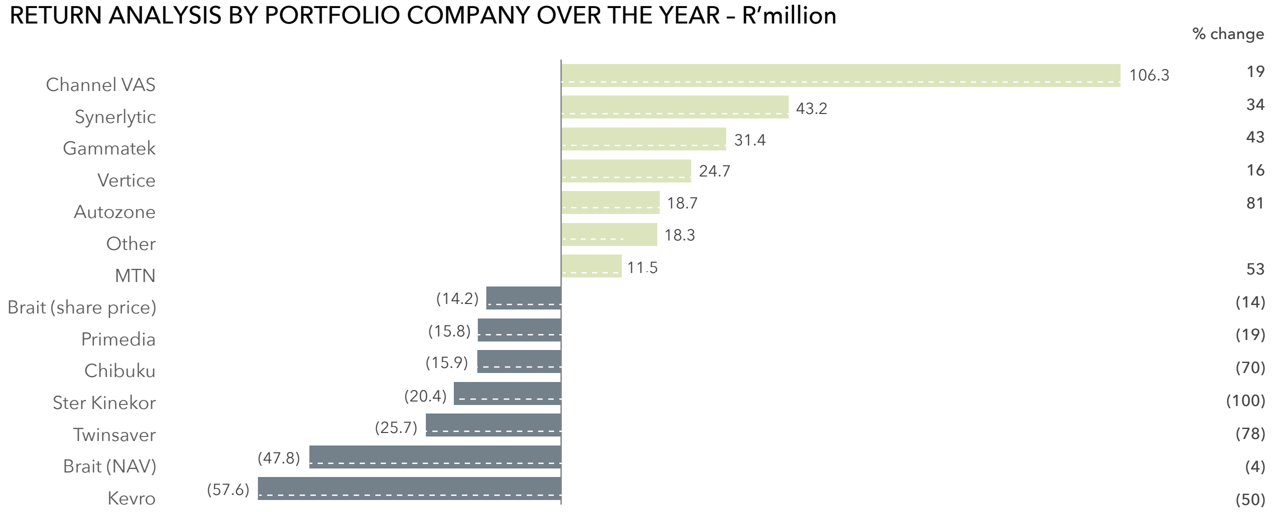
Echo, operating in SSA, has remained resilient despite the impact that COVID has had on a number of its customers and delays in the roll-out and installation of new contracts due to the impact of lockdowns on the company's suppliers. The local business performed strongly however, the international businesses had to navigate the COVID challenges and the company has focused on right-sizing the operating cost base of some of the international businesses.

Synerlytic was impacted by lower activity, resulting from the lockdowns that impacted some divisions while others were beneficiaries of the lockdowns. The businesses have rebounded strongly since the restrictions were lifted and continued cost optimisation has resulted in profit growth across the Group. The business has concluded four accretive acquisitions which have resulted in diversification by product and customer and the establishment of significant revenue bases outside South Africa while continuing to focus on growth of the core business.

After a challenging first few months of its financial year due to the COVID-enforced lockdown restrictions, Gammatek recovered well and delivered strong growth for the balance of the year. The sales growth trend improved consistently as demand for devices surged in the second half of the year. The company has benefitted from being the leading mobile device accessories distributor with large inventory levels, an agile sales team and market-leading customer service, to deliver robust sales growth. The business has also opened new channels and is expanding its product offering. In September 2020, Gammatek re-entered the MTN channel and was appointed as the preferred Samsung accessories supplier. The mobile device accessories market continues to benefit from a structural shift in supply dynamics as manufacturers have reduced the number of accessories supplied with each device.

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

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



Other businesses such as Kevro, Twinsaver, Ster Kinekor and Primedia were severely impacted by COVID and consequently their valuations decreased. Kevro suffered from IT integration and COVID-related procurement issues while Primedia was impacted by a significant drop in broadcasting advertising spend. The lockdown restrictions enforced in late December and the impact on the cinema industry due to a lack of global content unfortunately resulted in Ster Kinekor being placed in voluntary business rescue and accordingly the investment has been written down to Rnil.

The Brait NAV reduced by c.4% during the year, whereas the share price reduced by c.14%, largely driven by Virgin Active. As one of the leading international health club operators, its performance has been significantly impacted by the COVID pandemic, especially following the second wave in October 2020 in Europe and the United Kingdom ("UK") that resulted in government-imposed national lockdowns that lasted into April (UK) and May to July in the other European jurisdictions. The Virgin Active UK business undertook a holistic restructuring plan, including shareholders providing GBP45 million of additional liquidity in exchange for: certain compromises under royalty agreements being agreed by Virgin Enterprises; agreement by existing lenders to amend and extend terms of the existing senior debt facilities; and landlord concessions with respect to arrears rentals and future rentals and guarantees.

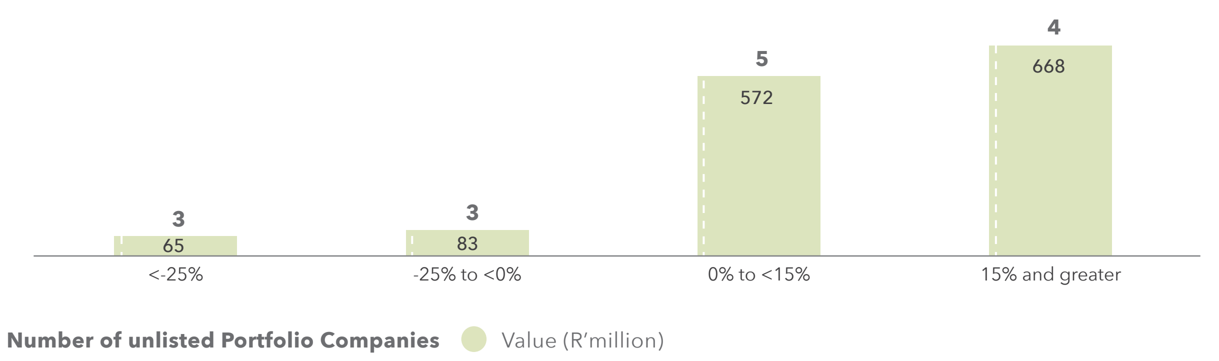
The restructuring plan had a significant impact on the profitability and liquidity outlook for the business and provided Virgin Active UK with the requisite operational and financial flexibility to emerge successfully from the pandemic. Virgin Active South Africa, which is separately financed, agreed terms with its lenders during June 2021 to restructure and extend the term of its existing debt facilities which will also provide this business with the requisite flexibility to continue to grow.

Premier, also an investment held through Brait, delivered a strong operational performance throughout the financial year, driven primarily by volume growth and the performance of its MillBake division (83% of revenue). Its products fall under the "essential goods" category and hence the business was able to continue with full production and maintain all its operations during the COVID-enforced lockdowns.

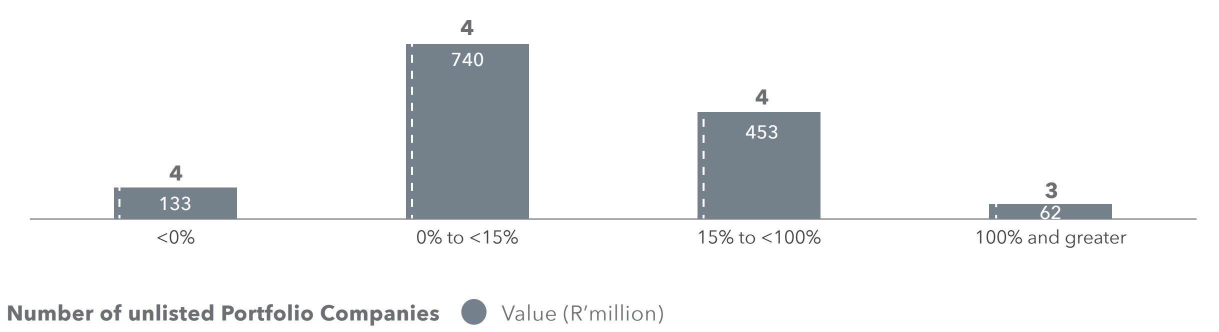
Over the LTM the unlisted portfolio's attributable sales and EBITDA increased on a value-weighted basis by 10.7% and 59.4% respectively, largely driven by the strong performance from the top five unlisted investments, consisting of Channel VAS, Vertice, Echo, Synerlytic and Gammatek (61% of total assets). These five investments continued their strong performance and grew their attributable sales and EBITDA (on a value-weighted basis) by 14.1% and 27.2% respectively, despite the tough economic conditions.

The analysis below, showing the revenue and EBITDA growth rates across the unlisted Portfolio Companies, demonstrates the benefit of portfolio diversification. The vast majority (89% by revenue and 90% by EBITDA) of the Portfolio Companies (by value) grew both revenue and EBITDA during the year with a number of companies recovering well and growing EBITDA by >50%.

REVENUE GROWTH % RANGE



EBITDA GROWTH % RANGE



Portfolio Company valuations

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

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

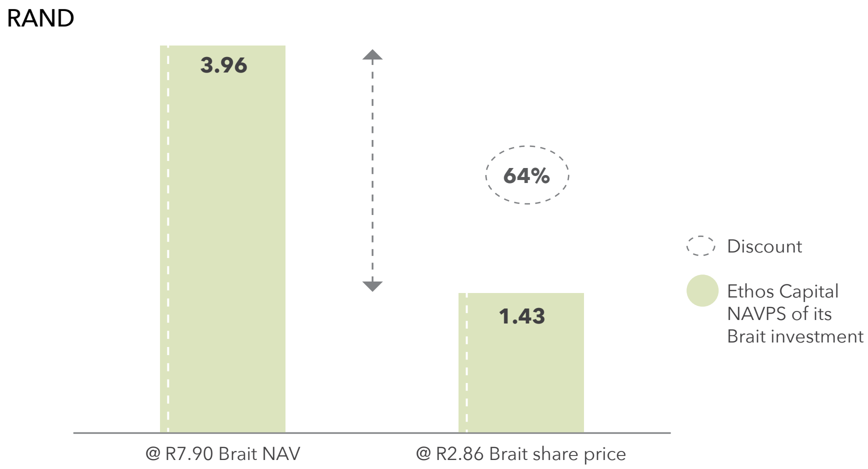
For the majority of the underlying Portfolio Companies the key valuation inputs are the earnings (e.g. EBITDA) of a Portfolio Company and the relevant multiple that is then applied to these earnings to determine the EV. Net debt/cash is then subtracted/added to the EV to determine the equity value. The 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-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 investment; and the valuation of the investments in Brait and MTN Zakhele Futhi is based on their respective share prices at 30 June 2021.

Listed portfolio

The investment in Brait is based on the prevailing share price at 30 June 2021 of R2.86 (30 June 2021: R3.34). The last reported Brait NAVPS, which is based on the above earnings-based valuation methodology, was R7.90 (as at 31 March 2021), resulting in a Brait share price discount to NAVPS of 64%.

The graph below sets out for Ethos Capital, its attributable NAVPS of the Brait investment and implied EV/EBITDA valuation multiple based on the Brait reported NAVPS of R7.90 and the Brait share price of R2.86.



EV/EBITDA multiple	8.6x	6.5x

The valuation of EMMF I's indirect investment in the MTN Group that is held via its investment in MTN Zakhele Futhi, is based on the latter's prevailing share price at 30 June 2021 of R15.50 (30 June 2020: R10.10) per share. Based on the MTN Group's last reported EBITDA and taking into account its debt levels as well as MTN Zakhele Futhi's debt, the share price implies an EV/EBITDA multiple of 4.5x.

Unlisted portfolio

Ethos Capital's attributable share of the Portfolio Companies' maintainable EBITDA (excluding the listed investments in Brait and MTN Zakhele Futhi) as at 30 June 2021 was R257.3 million and its attributable share of the maintainable net debt was R489.6 million, equating to a net debt/EBITDA multiple of 1.9x (30 June 2020: 1.8x). Portfolio Companies that are not valued on an earnings-based valuation have been excluded from this analysis, (i.e. Chibuku and TymeBank).

Based on the Company's attributable EBITDA and an implied EV/EBITDA multiple of 7.3x, the EV of the Company's participation in the underlying Portfolio Companies is c. R1.9 billion. The attributable net debt is subtracted to result in a net equity value of c.R1.4 billion, as set out below.

The implied EV/EBITDA multiple of 7.3x represents a 49% (30 June 2020: 47%) discount to the average EV/EBITDA multiple for the comparable peer groups of 14.3x. This discount applied to the peer group multiples represents the relevant discounts applied for, *inter alia*, liquidity, jurisdictional discount, risks and growth outlook.

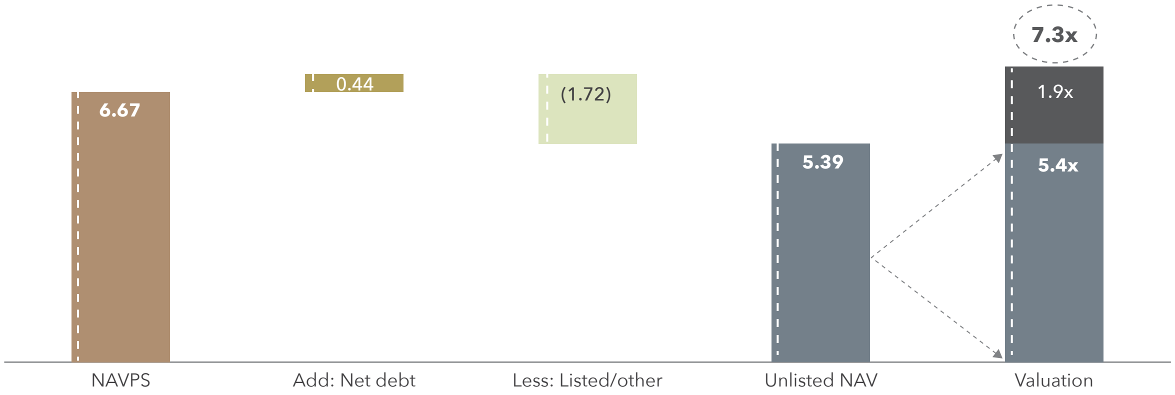
The implied EV/earnings before interest after taxes (''EBIAT'') (equivalent to a price earnings ratio) of the portfolio was 12.5x.

	30 June 2021 R'million	30 June 2020 R'million
Attributable EBITDA	257.3	263.3
Implied valuation multiple	7.30x	7.01x
Attributable EV	**1,877.5**	**1,845.7**
Less: Attributable debt	(489.6)	(469.3)
Attributable debt multiple	1.9x	1.8x
Attributable equity value	**1,387.9**	**1,376.4**
Add: Other equity investments	439.4	515.3
Total investments	**1,827.3**	**1,891.7**
Carrying value of invested capital per share (Rand)	**7.11**	**7.35**

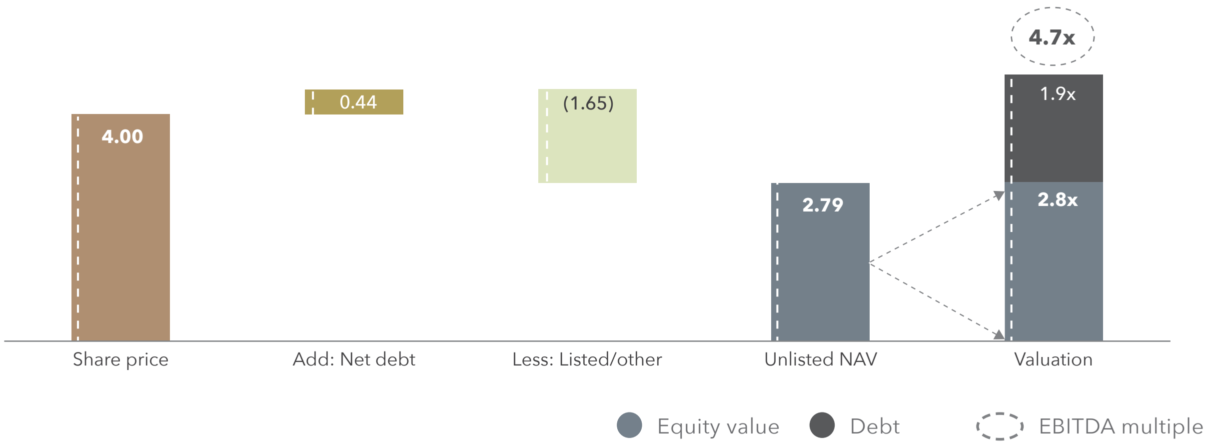
Based on the Company's share price of R4.00 as at 30 June 2021, the market implied EV/EBITDA was 4.7x and the EV/EBIAT was 8.0x.

	Share price based 30 June 2020 R'million	NAV based 30 June 2020 R'million
Attributable EBITDA	257.3	257.3
Implied valuation multiple	4.69x	7.30
Implied multiple discount	36%	
Attributable EV	**1,207.4**	**1,877.5**
Less: Attributable debt	(489.6)	(489.6)
Attributable debt multiple	1.9x	1.9x
Attributable equity value	***717.8***	***1,387.9***
Add: Other equity investments	425.5	439.4
Total implied/actual investments	**1,143.3**	**1,827.3**
Carrying value of invested capital per share (Rand)	4.44	7.11
Debt (Rand)	(0.44)	(0.44)
NAVPS (Rand)	**4.00**	**6.67**
Invested capital discount	38%	

NAV-BASED VALUATION – RAND

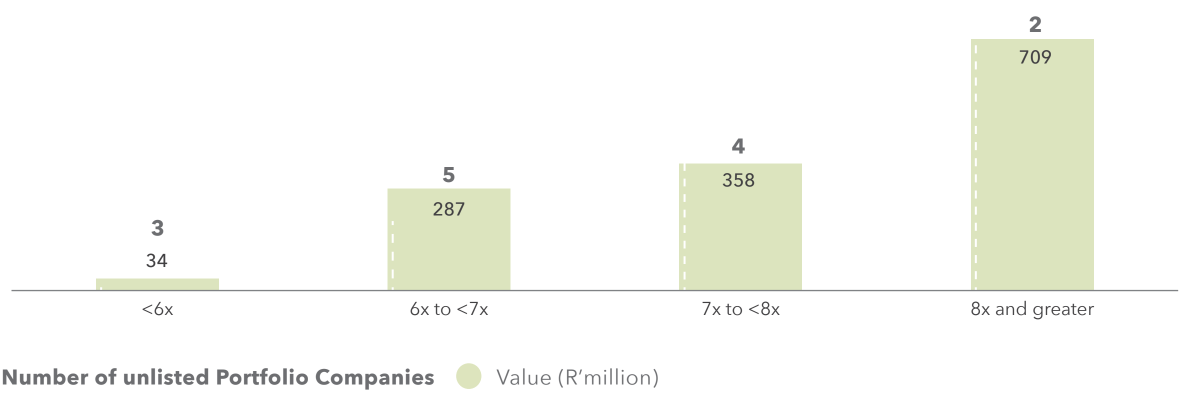


SHARE-BASED VALUATION – RAND

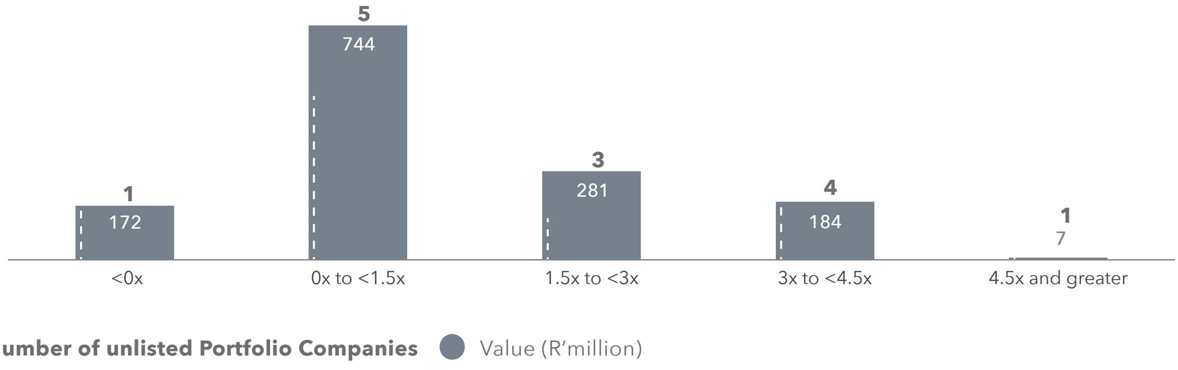


The analysis below sets out, for the unlisted Portfolio Companies that are valued on an earnings multiple method, the ranges of their EBITDA and net debt/EBITDA valuation multiples. In addition, the number of Portfolio Companies, and aggregate valuation for each range are detailed to reflect the relevant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

EV/EBITDA VALUATION MULTIPLE RANGE



DEBT/EBITDA MULTIPLE RANGE



Realisations

During the year to 30 June 2021, total distributions of R149.6 million were received from the various Ethos Funds.

Quarterly dividends totalling R33.9 million, attributed to the underlying investment in Channel VAS, were received from Ethos Capital's investments in EF VII, EDI and EAiF I.

In November 2020, EAiF I had its final close with the increased commitment base resulting in Ethos Capital, as a first close investor, being equalised and R22.9 million of invested cost being returned, alongside R2.8 million of equalisation gains.

In December 2020, EDI completed the partial sale of its investment in Channel VAS, with the proceeds of R75.7 million subsequently distributed to Ethos Capital. Over the two-year hold period, this partial realisation delivered in ZAR a MOIC of 1.6x and an IRR of 25%.

Following the sale of assets from its discontinued operations (corrugating and converting operations), Neopak distributed proceeds to its investors, resulting in distributions to Ethos Capital of R4.9 million from EF VI in December 2020 and June 2021. Waco, also an EF VI investment, disposed of its UK business (Premier Modular) and used the proceeds to reduce its debt and distribute the balance to its shareholders, resulting in proceeds of R3.2 million to Ethos Capital during January and June 2021.

Available capital

Liquid resources and balance sheet management

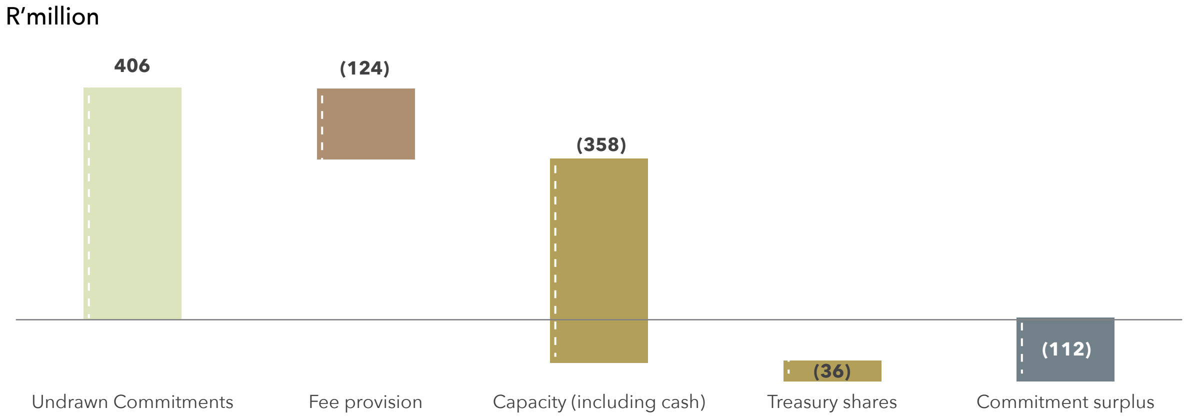
As at 30 June 2021, Ethos Capital had net liquid resources of over R45 million. In addition, it has access to a five-year revolving credit facility with RMB. To minimise commitment fees, only R200 million of the R700 million facility is committed, with a further R500 million uncommitted and subject to lender credit process if further drawdowns are required. Optically, the Board views the ultimate implied capacity of the above facility as being R500 million and used that as its benchmark or maximum capacity for liquidity considerations.

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

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

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

The graph below sets out the assumed unwinding of the current undrawn commitments if drawn at once. The undrawn commitments of each Fund, however, need to allow for quarterly management fees payable (until the exit of the last investment) and typically for a contingency reserve for existing investments, whether for add-ons or unforeseen funding requirements; hence, it is highly unlikely that this reserve (assumed 10% per Fund) balance will be drawn all at once or imminently in full, and therefore is deducted from the immediate funding requirement. The Company can draw on its benchmark or maximum facility of R500 million, which will be used to fund any further commitments drawn. However, based on the current covenant requirements, the Company can draw R313 million of the facility, supplemented by R45 million of available net liquid resources. In addition, Ethos Capital can sell the treasury shares to support any liquidity requirements. This results in a net implied commitment surplus of R112 million. The below demonstrates that Ethos Capital currently has adequate resources to settle its obligations and current undrawn commitments if we assume the commitments are drawn all at once, subject to the fees/reserve provision.



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

D. AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for the year ended 30 June 2021, the Integrated Annual Report and the Notice of Annual General Meeting and the auditor's unqualified report including its key audit matters, have all been published on the Company's website and the document is available at *https://ethoscapital.mu/investors/reports-results/* or can be obtained or requested from the Company's registered office.

The Integrated Annual Report, Annual Financial Statements and the Notice of the Annual General Meeting will be distributed on or before 19 October 2021.

E. NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ethos Capital shareholders will be held on 16 November 2021 at 14h00 via a remote interactive electronic platform, to transact the business as stated in the Annual General Meeting Notice forming part of the Integrated Annual Report and Annual Financials Statements.

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

Salient dates

	2021
Record date to determine which shareholders are entitled to receive the notice of annual general meeting	Friday 8 October
Last day to trade in order to be eligible to attend and vote at the annual general meeting	Tuesday 2 November
Record date to determine which shareholders are entitled to attend and vote at the annual general meeting	Friday 5 November
Forms of proxy for the Annual General Meeting to be lodged by 14h00* (for administrative purposes) on	Friday 12 November

** Any proxies not lodged by this time must be lodged by email to proxy@computershare.co.za immediately prior to the commencement of the Annual General Meeting.*

F. SUMMARISED ANNUAL FINANCIAL STATEMENTS

Responsibility

The Summarised Annual Financial Statements are extracted from audited Annual Financial Statements but are themselves not audited. The Board of Directors take full responsibility for the preparation of the Summarised Annual Financial Statements and all financial information has been correctly extracted from the audited Annual Financial Statements for the year ended 30 June 2021.

Independent report of the auditor

The Summarised Annual Financial Statements for the year ended 30 June 2021 have not been audited, but have been extracted from the complete audited Annual Financial Statements, on which the auditor of the Company, Deloitte & Touche South Africa, has expressed an unqualified audit opinion.

The audit report on the full set of Annual Financial Statements does not necessarily report on all the information contained in this announcement. In order to understand the nature of the auditor's engagement, please obtain the auditor's report which is available in the Annual Financial Statements at *https://ethoscapital.mu/investors/reports-results/* or can be obtained or requested from the Company's registered office.

Summarised Annual Financial Statements for the year ended 30 June 2021

These Summarised Annual Financial Statements comprise a summary of the complete audited Annual Financial Statements for the year ended 30 June 2021 that were approved by the Board of Ethos Capital on 23 September 2021. The Summarised Annual Financial Statements do not contain sufficient information to allow for a complete understanding of the results of the Company, as would be provided in the complete audited Annual Financial Statements.

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

SUMMARISED STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2021

	Notes	Group 30 June 2021 R'000	Group 30 June 2020 R'000	Company 30 June 2021 R'000	Company 30 June 2020 R'000
Assets					
Non-current assets					
Unlisted investments at fair value	4	1,827,336	1,891,743	1,827,336	1,891,743
Total non-current assets		1,827,336	1,891,743	1,827,336	1,891,743
Current assets					
Other assets and receivables		10,835	4,717	10,832	4,715
Income tax receivable		903	622	903	622
Money market investments at fair value	5	40,796	–	40,796	–
Cash and cash equivalents		4,578	7,993	4,102	7,504
Total current assets		57,112	13,332	56,633	12,841
Total assets		1,884,448	1,905,075	1,883,969	1,904,584
Equity and liabilities					
Capital and reserves					
Issued capital	6	2,291,272	2,291,272	2,426,272	2,426,272
Accumulated losses		(574,882)	(579,522)	(554,394)	(570,064)
Total equity		1,716,390	1,711,750	1,871,878	1,856,208
Non-current liabilities					
Borrowings	7	155,967	184,949	–	40,000
Total non-current liabilities		155,967	184,949	–	40,000
Current liabilities					
Other liabilities and payables		12,091	8,376	12,091	8,376
Total current liabilities		12,091	8,376	12,091	8,376
Total equity and liabilities		1,884,448	1,905,075	1,883,969	1,904,584
Net asset value		1,716,390	1,711,750	1,871,878	1,856,208
Basic net asset value per share (Rand)	14.2	6.67	6.65	6.91	6.85
Attributable shares in issue at end of the year ('000)	14.2	257,500	257,500	271,000	271,000

SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Group		Company	
		Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Revenue					
Changes in fair value of investments through profit or loss	8	31,510	(797,592)	31,510	(797,592)
Investment income	9	1,023	17,053	1,017	17,041
Net fair value losses	10	(3)	(279)	(3)	(279)
Total revenue/(losses)		32,530	(780,818)	32,524	(780,830)
Expenses					
Administration fees	11.1	(88)	(661)	(88)	(661)
Legal and consultancy fees	11.2	(542)	(1,706)	(542)	(1,706)
Other operating expenses	11.3	(7,642)	(9,406)	(7,624)	(9,404)
Finance costs	11.4	(14,639)	(12,799)	(3,621)	(3,331)
Total expenses		(22,911)	(24,572)	(11,875)	(15,102)
Profit/(loss) before tax		9,619	(805,390)	20,649	(795,932)
Income tax expense		(4,979)	(3,736)	(4,979)	(3,736)
Profit/(loss) for the year		4,640	(809,126)	15,670	(799,668)
Other comprehensive income for the year		–	–	–	–
Total comprehensive income/(loss) for the year		4,640	(809,126)	15,670	(799,668)
Earnings/(loss) per share					
Basic and diluted earnings/(loss) per share (Rand)	14.1	0.02	(4.13)	0.06	(3.82)

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

SUMMARISED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

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

	Year ended 30 June 2020 Issued capital R'000	Retained earnings/ (accumulated losses) R'000	Total equity R'000
Balance at 1 July 2019	1,555,945	229,604	1,785,549
Net proceeds from issue of Ordinary Shares	735,327	–	735,327
Total comprehensive loss for the year	–	(809,126)	(809,126)
Balance at 30 June 2020	2,291,272	(579,522)	1,711,750

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

	Year ended 30 June 2020 Issued capital R'000	Retained earnings/ (accumulated losses) R'000	Total equity R'000
Balance at 1 July 2019	1,690,945	229,604	1,920,549
Net proceeds from issue of Ordinary Shares	735,327	–	735,327
Total comprehensive loss for the year	–	(799,668)	(799,668)
Balance at 30 June 2020	2,426,272	(570,064)	1,856,208

SUMMARISED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Group Year ended 30 June 2021 R'000	Group Year ended 30 June 2020 R'000	Company Year ended 30 June 2021 R'000	Company Year ended 30 June 2020 R'000
Cash flows from operating activities:					
Cash (used in)/generated by operations	13	(10,675)	686	(10,656)	688
Interest income from cash and bank balances	9	493	607	487	595
Finance costs paid		(3,621)	(3,331)	(3,621)	(3,331)
Income tax paid		(5,260)	(3,999)	(5,260)	(3,999)
Net cash used in operating activities before investment activities		(19,063)	(6,037)	(19,050)	(6,047)
Cash flows from investment activities					
Net cash flow from non-current investments		95,917	(1,262,074)	95,917	(1,262,074)
Payments to acquire non-current investments		(28,517)	(1,275,563)	(28,517)	(1,275,563)
Proceeds on disposal of non-current investments		106,812	15,811	106,812	15,811
Interest received from non-current investments		12,564	2,249	12,564	2,249
Dividends received from non-current investments		30,268	22,984	30,268	22,984
Investment-related expenses		(25,210)	(27,555)	(25,210)	(27,555)
Net cash flow from current investments		(40,266)	497,195	(40,266)	497,195
Payments to acquire money market investments		(40,679)	(617,555)	(40,679)	(617,555)
Proceeds on maturities and disposals of money market investments		–	1,092,028	–	1,092,028
Interest received from money market investments		413	22,722	413	22,722
Net cash generated by/(used in) investment activities		55,651	(764,879)	55,651	(764,879)
Cash generated by/(used in) operating activities		36,588	(770,916)	36,601	(770,926)
Cash flows from financing activities:					
Proceeds from issue of ordinary shares		–	750,000	–	750,000
Payment for share issue costs		–	(14,673)	–	(14,673)
(Repayment of)/proceeds from borrowings		(40,000)	40,000	(40,000)	40,000
Net cash (used in)/generated by financing activities		(40,000)	775,327	(40,000)	775,327
Net (decrease)/increase in cash and cash equivalents		(3,412)	4,411	(3,399)	4,401
Cash and cash equivalents at the beginning of the year		7,993	3,576	7,504	3,097
Effects of exchange rate changes on the balance of cash held in foreign currencies	10	(3)	6	(3)	6
Total cash and cash equivalents at the end of the year		4,578	7,993	4,102	7,504

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 General information

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

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

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

Standard	Subject	Effective date
Amendments/Improvements		
Various	References to the conceptual framework in IFRS standards	1 January 2020
IFRS 3	Definition of a business	1 January 2020
IAS 1 and IAS 8	Definition of material	1 January 2020
IFRS 9, IAS 39 and IFRS 7	Interest rate benchmark reform	1 January 2020
IFRS 16	Covid-19-related rent concessions	1 January 2020

IAS 1 and IAS 8

The Group has already applied the principle of materiality in the preparation and disclosure of financial information in these Annual Financial Statements.

IFRS 9, IAS 39, IFRS 7 and IFRS 16

As an investment holding company, the Group has no leases and does not engage in any hedging instruments.

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

The standards issued but not yet effective for the financial year ended on 30 June 2021 that might be relevant to the Group and not implemented early, are as follows:

Standard	Subject	Effective date
Amendments/Improvements		
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest rate benchmark reform – Phase 2*	1 January 2021
IFRS 16	*Covid-19-related rent concessions beyond 30 June 2021*	1 April 2021
IAS 16	*Property, plant and equipment – proceeds before intended use*	1 January 2022
Various	*Annual improvements to IFRS standards*	1 January 2022
IFRS 3	*Reference to the conceptual framework*	1 January 2022
IAS 37	*Onerous contracts – cost of fulfilling a contract*	1 January 2022
IFRS 17	*Insurance contracts*	1 January 2023
IFRS 17	*Amendments*	1 January 2023
IAS 1	*Classification of liabilities as current or non-current – deferral of effective date*	1 January 2023
IFRS 4	*Extension of the temporary exemption from applying IFRS 9*	1 January 2023
IAS 1, IFRS Practice Statement 2	*Disclosure of accounting policies*	1 January 2023
IAS 12	*Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023
IAS 8	*Definition of accounting estimates*	1 January 2023

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

IFRS 9, IAS 39, IFRS 7 and IFRS 16

As an investment holding company, the Group has no leases and does not engage in any hedging instruments.

3 Significant accounting policies

3.1 Basis of preparation

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

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

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

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

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

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

These Summarised Annual Financial Statements were compiled under the supervision of the Chief Financial Officer, Jean-Pierre van Onselen, CA(SA), and were approved by the Board on 23 September 2021.

3.2 Basis of consolidation

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

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

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

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

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

3 Significant accounting policies (continued)

3.2 Basis of consolidation (continued)

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.

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

3.3 Segmental reporting

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

3.4 Critical judgement and accounting estimates: valuation of unlisted investments

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

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

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

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

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

3 Significant accounting policies (continued)

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

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

Maintainable earnings are typically based on historical earnings figures that are considered to be appropriate and relevant. 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 and net debt of each Portfolio Company, especially during these unprecedent times, requires a high degree of judgement by Ethos; therefore, the valuations of the unlisted portfolio are subject to a degree of uncertainty and the underlying assumptions may prove in time not to be entirely accurate.

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

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

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

3.5 Net asset value per share

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

In calculating the NAVPS, the Group and Company's NAV, as presented in the Statements of Financial Position, is divided by the number of shares as disclosed in note 6. For the purposes of the NAVPS calculation, the number of shares issued is calculated as the number of shares in issue at year-end, less treasury shares and less the notionally encumbered shares.

3.6 Going concern

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

3.7 Statements of Cash flows

As noted, the Company is an investment holding company with a strategy to largely invest in longer-term investments by investing into four asset categories: Primary, Secondary, Direct and Temporary Investments. Given the core operating nature of the above strategy and the longer-term hold and realisation periods, it is the policy of the Group to classify and recognise all of its investment-related activities and investment income received from these investments as operating activities in the Statements of Cash flows. Any other investment strategy will be classified and recognised as investing activities in the Statements of Cash flows.

4 Unlisted investments at fair value

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

At 30 June 2021, the Group had the following investments:

	Group		Company	
	30 June 2021 R'000	30 June 2020 R'000	30 June 2021 R'000	30 June 2020 R'000
Investments held at fair value through profit or loss:				
Carrying amounts of:				
Unlisted investments	1,827,336	1,891,743	1,827,336	1,891,743
	1,827,336	1,891,743	1,827,336	1,891,743
Comprising:				
Cost	2,590,450	2,664,271	2,590,450	2,664,271
Unrealised capital revaluation movement at the end of the year	(949,741)	(911,569)	(949,741)	(911,569)
Accrued income	186,627	139,041	186,627	139,041
	1,827,336	1,891,743	1,827,336	1,891,743
Underlying Portfolio Companies consisting of:				
Unlisted investments	1,425,077	1,438,999	1,425,077	1,438,999
Listed investments	402,259	452,744	402,259	452,744
	1,827,336	1,891,743	1,827,336	1,891,743

The investments consisted of the following 10 investments:

Group and Company	Participation in Ethos Funds/ Co-Investments 30 June 2021 %	Cost 30 June 2021 R'000	Valuation 30 June 2021 R'000	Income distributions received 30 June 2021 R'000	Devaluation 30 June 2021 R'000
Investments held at fair value through profit or loss:					
Consisting of unlisted investments in:					
EF VII[(1)]	61	796,878	697,765	26,232	(99,113)
EMMF I[(2)]	38	597,362	456,381	156	(140,981)
EDI[(3)]	1 – 6	637,803	275,973	5,838	(361,830)
EHP[(4)]	13	93,513	137,647	–	–
EAiF I[(5)]	20	74,905	98,036	5,179	–
Primedia Holdings (Pty) Ltd	4	144,247	64,298	–	(79,949)
EF VI[(6)]	<2	94,579	59,820	5,427	(34,759)
EMM Direct[(7)]	9	110,891	30,560	–	(80,331)
EMP 3[(8)]	n/a	18,115	6,856	–	(11,259)
Ster Kinekor Theatres Pty Ltd	4	22,157	–	–	(22,157)
		2,590,450	1,827,336	42,832	(830,379)

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

4 Unlisted investments at fair value (continued)

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

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

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

Group and Company	Participation in Ethos Funds/ Co-Investments 30 June 2020 %	Cost 30 June 2020 R'000	Valuation 30 June 2020 R'000	Income distributions received 30 June 2020 R'000	Devaluation 30 June 2020 R'000
Investments held at fair value through profit or loss:					
Consisting of unlisted investments in:					
EF VII	61	798,290	667,713	14,741	(130,577)
EMMF I	38	584,235	390,772	99	(193,463)
EDI	2 – 6	690,530	378,139	4,950	(312,391)
EHP	18	93,513	116,778	–	–
EAiF I	26	94,575	112,704	3,552	–
Primedia Holdings (Pty) Ltd	4	144,247	79,177	–	(65,070)
EMM Direct	9	110,891	61,027	–	(49,864)
EF VI	<2	93,325	47,793	–	(45,532)
EMP 3	15	36,866	22,794	1,891	(14,072)
Ster Kinekor Theatres Pty Ltd	4	17,799	14,846	–	(2,953)
		2,664,271	1,891,743	25,233	(813,922)

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

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

4 Unlisted investments at fair value (continued)

At 30 June 2021, the underlying investments (Portfolio Companies) of the above Funds constituting 97.0% of the total assets, consisted of the following 22 unlisted companies:

Company

Name	Fund or type	Economic interest %	Business description/sector	Percentage of total assets 30 June 2021 %
Channel VAS	EF VII/EAiF I/EDI	8.7	FinTech service provider	28.5
Virgin Active (Brait)	EF VII/EDI	7.8	Health club operator	9.5
Vertice	EHP/EAiF I/EF VI	16.9	MedTech	9.3
Echo	EMMF I/EF VII	31.9	Corporate ISP	9.1
Premier (Brait)	EF VII/EDI	9.6	FMCG manufacturer	9.0
Synerlytic	EMMF I	37.2	Specialised analytical and testing services	9.0
Gammatek	EMMF I	20.3	TMT accessory distribution	5.5
Primedia	EF VI/Direct	4.7	Media	3.6
Kevro	EMMF I/EMM Direct	16.6	Corporate clothing and gifting	3.1
Autozone	EF VI/EMMF I	8.2	Automotive parts retailer & wholesaler	2.0
MTN Zakhele Futhi	EMMF I	4.0	Telecommunications	1.8
TymeBank	EAiF I	1.6	Banking	1.6
Eazi Access	EF VI/EMMF I	4.9	Industrial support services	1.0
The Beverage Company	EF VI	1.0	Carbonated drinks manufacturer	0.9
New Look (Brait)	EF VII/EDI	1.8	Multi-channel fast-fashion brand	0.7
Consol Glass (Brait)	EF VII/EDI	0.3	Manufacturer of glass packaging	0.4
RTT	EF VI	0.7	Logistics	0.4
Neopak	EF VI	1.4	Paper and packaging	0.4
Twinsaver	EF VI/EMMF I	7.5	FMCG manufacturer	0.4
Waco International	EF VI	0.3	Industrial support services	0.4
Chibuku	EMP 3	n/a	Brewing and distribution	0.4
Ster Kinekor	EF VI/Direct	4.7	Media (entertainment)	–
				97.0

Further details on the investment portfolio and the underlying Portfolio Companies are provided in the Review of the Investment Portfolio and Returns section on page 20 of the Integrated Annual Report as at 30 June 2021.

5 Money market investments at fair value

	Group		Company	
	30 June 2021 R'000	30 June 2020 R'000	30 June 2021 R'000	30 June 2020 R'000
Investments held at fair value through profit or loss:				
Carrying amounts of:				
Cash and call accounts	40,796	–	40,796	–
	40,796	–	40,796	–
Consisting of:				
Cost	40,679	–	40,679	–
Accrued income	117	–	117	–
	40,796	–	40,796	–

The money market investments, or Temporary Investments, are managed by Ashburton Fund Managers Proprietary Limited ("Ashburton") under a discretionary investment management agreement dated 28 July 2016. These investments are invested in money market instruments that typically consist of a combination of floating rate notes, negotiable certificates of deposit ("NCD"), treasury bills and cash or call accounts.

6 Issued capital

	Group		Company	
	30 June 2021 Number	30 June 2020 Number	30 June 2021 Number	30 June 2020 Number
Authorised, issued and fully paid				
A Ordinary Shares issued at R10.00 per share	180,000,000	180,000,000	180,000,000	180,000,000
A Ordinary Shares issued at R7.50 per share	100,000,000	100,000,000	100,000,000	100,000,000
A Ordinary Shares issued at R0.01 per share	7,500,000	7,500,000	7,500,000	7,500,000
B Ordinary Shares issued at R0.01 per share	10,000	10,000	10,000	10,000
	287,510,000	287,510,000	287,510,000	287,510,000
Black Hawk treasury shares (A Ordinary shares)	(13,500,000)	(13,500,000)	–	–
A Ordinary Shares repurchased	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Total issued share capital	265,010,000	265,010,000	278,510,000	278,510,000

	Group		Company	
	30 June 2021 R'000	30 June 2020 R'000	30 June 2021 R'000	30 June 2020 R'000
Issued and fully paid				
A Ordinary Shares issued at R10.00 per share	1,800,000	1,800,000	1,800,000	1,800,000
A Ordinary Shares issued at R7.50 per share	750,000	750,000	750,000	750,000
A Ordinary Shares issued at R0.01 per share	75	75	75	75
B Ordinary Shares issued at R0.01 per share	–	–	–	–
Less: Share issue costs	(49,389)	(49,389)	(49,389)	(49,389)
	2,500,686	2,500,686	2,500,686	2,500,686
Black Hawk treasury shares (A Ordinary Shares)	(135,000)	(135,000)	–	–
A Ordinary Shares repurchased	(74,414)	(74,414)	(74,414)	(74,414)
Total issued share capital	2,291,272	2,291,272	2,426,272	2,426,272

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

6 Issued capital (continued)

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

At the same time, 10,000 B Ordinary Shares were issued to the Trustees of the Ethos Private Equity Allocation Trust ("the EPE Trust"), at an issue price of R0.01 per share. These shares were not admitted to the JSE for listing and trading. The B Ordinary Shares are a mechanism to effect payment of the annual performance participation to the EPE Trust in the form of a cash dividend on the B Ordinary Shares, following the notional encumbrance termination date. The B Ordinary Shares therefore entitle the holders to, including other rights as stated in the Company's Constitution, participate proportionately in any distribution made by the Company in respect of the B Ordinary Shares and, upon the A Ordinary Shares issued to the EPE Trust at R0.01 per share ceasing to be encumbered (refer to note 14), to receive out of the profits of the Company an annual dividend that collectively represents the annual performance participation.

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

Further information on the A and B Ordinary Shares is provided in note 14.

Cumulative to date, the Company has purchased 9,000,000 A Ordinary Shares at an average price of R8.27 per share. These shares are currently held in treasury. As set out in note 19, the 13.5 million secured A Ordinary Shares that are legally owned by Black Hawk Private Equity (Pty) Ltd ("Black Hawk") and pledged as security, are treated as treasury shares of the Group at their par value of R10.00 per share.

7 Borrowings

	Group		Company	
	30 June 2021 R'000	30 June 2020 R'000	**30 June 2021 R'000**	30 June 2020 R'000
Secured – at amortised cost:				
Revolving credit facility	–	40,000	–	40,000
Unsecured – at amortised cost:				
Loan facility	155,967	144,949	–	–
	155,967	184,949	–	40,000
Current	–	–	–	–
Non-current	155,967	184,949	–	40,000
	155,967	184,949	–	40,000

On 13 February 2020, the Company concluded a five-year revolving credit facility with FirstRand Bank Limited (acting through its Rand Merchant Bank ("RMB") division) which expires on 12 February 2025. The credit facility is secured against the Company's assets and is capped at a maximum of 4.5x the Company's NAV (subject to some pre-agreed adjustments). R200 million of the facility is currently committed, with R500 million uncommitted. Interest accrues at a rate that is based on JIBAR plus a 3.5% margin. At 30 June 2021, the facility has not been drawn.

The Group has exposure to RMB via a R105 million five-year non-recourse loan facility (plus any outstanding interest thereon) issued by RMB to Black Hawk, expiring on 12 February 2025. This amount represents the current outstanding balance on the facility, including any accrued interest charges to 30 June 2021. 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.

8 Changes in fair value of investments through profit or loss

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	**Year ended 30 June 2021 R'000**	Year ended 30 June 2020 R'000
Income:				
Interest accrued and received on unlisted investments	47,995	56,619	47,995	56,619
Dividends accrued and received on unlisted investments	42,423	29,455	42,423	29,455
	90,418	86,074	90,418	86,074
Net loss arising on changes in the fair value of investments	(17,662)	(856,974)	(17,662)	(856,974)
Reversal of prior years' fair value gains on disposal	(20,510)	(6,229)	(20,510)	(6,229)
Gain on realisation of investments	4,474	7,092	4,474	7,092
	(33,698)	(856,111)	(33,698)	(856,111)
Expenses:				
Ethos fees	(23,658)	(23,679)	(23,658)	(23,679)
Fund formation fees	(270)	(2,625)	(270)	(2,625)
Expenses relating to the acquisition of investments	(90)	(469)	(90)	(469)
Other Fund operating expenses	(1,192)	(782)	(1,192)	(782)
	(25,210)	(27,555)	(25,210)	(27,555)
	31,510	(797,592)	31,510	(797,592)

9 Investment income

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	**Year ended 30 June 2021 R'000**	Year ended 30 June 2020 R'000
Income:				
Interest from money market investments	530	16,503	530	16,503
Interest from cash and bank balances	493	607	487	595
Amortisation of net premium	–	(57)	–	(57)
	1,023	17,053	1,017	17,041
Analysis of investment income by category of asset:				
Interest earned from assets designated at fair value through profit or loss	530	16,446	530	16,446
Loans and receivables (including cash and bank balances)	493	607	487	595
	1,023	17,053	1,017	17,041

10 Net fair value losses

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Unrealised:				
Net loss arising on changes in the fair value of money market instruments	–	(313)	–	(313)
Net foreign exchange (loss)/gain on conversion of cash and cash equivalents	(3)	6	(3)	6
	(3)	(307)	(3)	(307)
Realised:				
Gain on realisation of money market instruments	–	28	–	28
	–	28	–	28
Net fair value losses	(3)	(279)	(3)	(279)

11 Profit/(loss) before tax

Profit/(loss) before tax has been arrived at after charging:

11.1 Administration fees

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Administration fee – Ethos	47	331	47	331
Administration fee – Ashburton	41	330	41	330
	88	661	88	661

11.2 Legal and consultancy fees

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Professional advisors' fees	542	1,706	542	1,706
	542	1,706	542	1,706

11 Profit/(loss) before tax (continued)

11.3 Other operating expenses

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Company secretarial, accounting and other administration fees	740	1,511	740	1,511
Directors' emoluments	4,455	4,401	4,455	4,401
Auditors' remuneration	838	1,443	838	1,443
Insurance costs	278	239	278	239
Sponsor and listing-related fees	760	726	760	726
Other expenses	571	1,086	553	1,084
	7,642	9,406	7,624	9,404

11.4 Finance costs

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Interest on secured credit facility	1,542	1,097	1,542	1,097
Commitment and transaction fees	2,079	2,234	2,079	2,234
Interest on unsecured loan facility	11,018	11,856	–	–
Less: Reimbursement by Black Hawk shareholders	–	(2,388)	–	–
	14,639	12,799	3,621	3,331

12 Capital commitments and contingent liabilities

	Group		Company	
	30 June 2021 R'000	30 June 2020 R'000	30 June 2021 R'000	30 June 2020 R'000
Undrawn capital commitments:				
Consisting of unlisted investments in:				
EMMF I[(1)]	318,915	341,305	318,915	341,305
EAiF I[(2)]	75,262	55,646	75,262	55,646
EF VI[(3)]	12,175	20,075	12,175	20,075
EMP 3[(4)]	–	200,201	–	200,201
	406,352	617,227	406,352	617,227
Contingent liabilities				
RMB Bank loan	–	–	155,967	144,949
	–	–	155,967	144,949
Total commitments and contingent liabilities	406,352	617,227	562,319	762,176

(1) *Final commitment of R950 million to Ethos Mid Market Fund I (B) Partnership on 7 June 2018.*
(2) *First close commitment of R150 million to Ethos Ai Fund I (B) Partnership on 1 October 2018.*
(3) *Commitment of $10 million (R143 million) to Ethos Fund VI (Jersey) LP on 18 November 2016.*
(4) *First close commitment of R250 million to Ethos Mezzanine Partners 3 (B) Partnership on 16 May 2018, that has been partially sold and cancelled during the current year.*

The Company has provided a guarantee against a R105 million five-year non-recourse loan facility (plus any outstanding interest thereon) issued by RMB to Black Hawk, expiring on 12 February 2025. This amount represents the current outstanding balance on the facility, including any accrued interest charges to 30 June 2021. Interest currently accrues at a rate that is based on JIBAR plus a 3.75% margin, and the interest is intended to be rolled up and settled with the capital amount outstanding upon the maturity of the loan or an earlier repayment event.

As security against the above guarantee, Black Hawk has pledged 13.5 million shares in favour of the Company, which was valued at R54,000,000 at 30 June 2021. In the event that the guarantee was called, the Company would be required to settle the outstanding RMB facility for an amount of R155,967,000. The guarantee has been recognised as a contingent liability in the Summarised Annual Financial Statements of the Company.

13 Notes to the Statements of Cash Flows

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Cash flows from operating activities before investing activities:				
Profit/(loss) for the year	4,640	(809,126)	15,670	(799,668)
Adjustments for:				
Investment income recognised in profit	(91,441)	(103,127)	(91,435)	(103,115)
Investment-related expenses	25,210	27,555	25,210	27,555
Loss from fair value adjustments	38,172	863,516	38,172	863,516
Net foreign exchange loss/(gain)	3	(6)	3	(6)
Gain on disposal of investments	(4,474)	(7,120)	(4,474)	(7,120)
Finance costs recognised in profit	14,639	12,799	3,621	3,331
Income tax expense recognised in profit	4,979	3,736	4,979	3,736
	(8,272)	(11,773)	(8,254)	(11,771)
Movements in working capital	(2,403)	12,459	(2,402)	12,459
(Increase)/decrease in trade and other receivables	(6,118)	11,665	(6,117)	11,665
Increase in other liabilities and payables	3,715	794	3,715	794
Cash (used in)/generated by operations	(10,675)	686	(10,656)	688

14 Earnings/(loss) and NAVPS

As detailed in note 6, the Company has 287,500,000 A Ordinary Shares in issue, 7,500,000 of which were issued to the EPE Trust and are currently notionally encumbered. Until these shares are released from their encumbrance (through the notional performance participation), the Company has an irrevocable right and option to acquire the notionally encumbered A Ordinary Shares at a repurchase price of R0.01 per share, being each share's fair value, and then to apply for the delisting of such shares acquired. The holders of these shares are therefore restricted from selling the shares to any party other than the Company and obtaining or sharing in any economic benefit derived from the shares, until they are released from their encumbrance.

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

14 Earnings/(loss) and NAVPS (continued)

14.1 Earnings/(loss) and headline earnings/(loss) per share

	Group		Company	
	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Total comprehensive income/(loss) attributable to ordinary shareholders	4,640	(809,126)	15,670	(799,668)
Reconciliation of basic earnings/(loss) to headline earnings/(loss):				
Total comprehensive income/(loss) attributable to ordinary shareholders	4,640	(809,126)	15,670	(799,668)
Reconciling items	–	–	–	–
Headline earnings/(loss) for the year	4,640	(809,126)	15,670	(799,668)
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of earnings/(loss) per share	257,500	195,751	271,000	209,251
Basic and diluted earnings/(loss) per share (Rand)	0.02	(4.13)	0.06	(3.82)
Basic and diluted headline earnings/(loss) per share (Rand)	0.02	(4.13)	0.06	(3.82)

14.2 Basic net asset value per share

	Group		Company	
	30 June 2021 R'000	30 June 2020 R'000	30 June 2021 R'000	30 June 2020 R'000
Net asset value	1,716,390	1,711,750	1,871,878	1,856,208
	'000	'000	'000	'000
Number of shares in issue during the year	287,500	287,500	287,500	287,500
Less: Shares held in treasury	(22,500)	(22,500)	(9,000)	(9,000)
Less: Notionally encumbered shares	(7,500)	(7,500)	(7,500)	(7,500)
Number of attributable shares in issue at end of the year	257,500	257,500	271,000	271,000
Basic net asset value per share (Rand)	6.67	6.65	6.91	6.85

15 Related parties

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

Key management personnel (including Directors)

Non-executive Directors

Senior Advisors

Entity is a provider of key management personnel to the Group

Ethos

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

Enoha GmbH (controlled by the Chairperson)

Black Hawk

15.1 Investment-related fees

The fees, that were payable to the Ethos Group during the year and any outstanding balances at 30 June 2021, are listed below:

Group and Company	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Fees payable:		
Administration fee	47	331
Management fees	652	1,469
Advisory fees	23,006	22,210
	23,705	24,010

	30 June 2021 R'000	30 June 2020 R'000
Outstanding balances:		
Administration fee	16	6
Advisory fees	5,638	5,304
	5,654	5,310

15 Related parties (continued)

15.2 Remuneration of Directors

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

Included in the above remuneration is an amount of R759,000 (CHF45,000) (2020: R705,000) paid to Enoha GmbH in respect of the Director's remuneration of Yvonne Stillhart.

There was no outstanding remuneration due at 30 June 2021.

15.3 Other

As set out in note 12, the Company provided a guarantee on a R105 million loan facility (including any accrued interest) in favour of Black Hawk. Black Hawk subscribed to the A Ordinary Shares of the Company (see note 6) for the benefit of the two Directors and/or their associates.

16 Financial risk factors and instruments

16.1 Overview

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

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

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

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

These risks are detailed in note 24 of the Notes to the Annual Financial Statements as at 30 June 2021.

16 Financial risk factors and instruments (continued)

16.1 Overview (continued)

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 2021	**Financial asset at FVTPL R'000**	**At amortised cost R'000**	**Financial asset at FVTPL R'000**	**At amortised cost R'000**
Financial assets:				
Unlisted investments at fair value	1,827,336	–	1,827,336	–
Other assets and receivables	–	10,835	–	10,832
Income tax receivable	–	903	–	903
Money market investments at fair value	40,796	–	40,796	–
Cash and cash equivalents	–	4,578	–	4,102
Financial liabilities:				
Borrowings	–	155,967	–	–
Other liabilities and payables	–	12,091	–	12,091

At 30 June 2020	**Financial asset at FVTPL R'000**	**At amortised cost R'000**	**Financial asset at FVTPL R'000**	**At amortised cost R'000**
Financial assets:				
Unlisted investments at fair value	1,891,743	–	1,891,743	–
Other assets and receivables	–	5,339	–	5,337
Cash and cash equivalents	–	7,993	–	7,504
Financial liabilities:				
Borrowings	–	184,949	–	40,000
Other liabilities and payables	–	8,376	–	8,376

16 Financial risk factors and instruments (continued)

16.2 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 Statements of Financial Position.

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

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

16.3 Valuation risk

Risk, policies and procedures

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

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

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

16.4 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.

16 Financial risk factors and instruments (continued)

16.4 Fair value classification of investments (continued)

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

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

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

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

Group and Company	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets:				
Unlisted investments	452,744	–	1,438,999	1,891,743
At 30 June 2020	452,744	–	1,438,999	1,891,743

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 2021 R'000**	**30 June 2020 R'000**
Non-current assets:		
Opening balance	1,438,999	1,427,261
Transfer to level 1	–	(41,035)
Acquisitions	28,517	241,318
Realisations at 30 June 2020 carrying value	(125,441)	(15,047)
Net gains/(losses) included in the Statements of Comprehensive Income	83,002	(173,498)
	1,425,077	1,438,999

17 Events after the reporting period

There have been no material events after the reporting date that would require disclosure or adjustment to the Summarised Annual Financial Statements for the year ended 30 June 2021.

CORPORATE INFORMATION

Directors

Yvonne Stillhart (Chairperson)
Derek Prout-Jones
Kevin Allagapen
Michael Pfaff
Yuvraj Juwaheer

Senior Advisors (Officers)

Jean-Pierre van Onselen (CFO)
Peter Hayward-Butt (CEO)

Investment Advisor

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Auditors

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Listing

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

Transfer Secretary

Computershare Investor Services Proprietary Limited
15 Biermann Avenue
Rosebank, 2196

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)
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Sandton, 2196

Disclaimer

The financial information in this announcement is itself not audited, but is extracted from the audited Annual Financial Statements

Ebene, Mauritius (with simultaneous circulation in Johannesburg)

27 September 2021

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)