

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

VOLUNTARY NAV AND NAVPS UPDATE, DECLARATION ANNOUNCEMENT REGARDING THE UNBUNDLING OF BRAIT PLC SHARES AND APPOINTMENT OF CEO

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO CANADA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

PLEASE SEE THE IMPORTANT DISCLAIMERS AT THE END OF THIS ANNOUNCEMENT.

Ethos Capital is an investment holding company, registered, and incorporated in Mauritius. It is listed on the Johannesburg Stock Exchange ("JSE") and offers shareholders potential long-term capital appreciation by making commitments and investments into Funds or co-investments that are actively managed by Rohatyn Management South Africa Proprietary Limited, providing the Company with exposure to a diversified portfolio of unlisted private equity type investments ("Portfolio Companies").

The performance is largely measured by the growth in the Net Asset Value ("NAV") and NAV per share ("NAVPS") of the Company and the Board has adopted the NAVPS as the relevant measure for trading statement purposes.

Below is a voluntary update of the Company since the interim results announcement published in March 2024.

Voluntary NAV and NAVPS update

The NAVPS of Ethos Capital, including the Brait PLC ("Brait") investment at its share price, increased by 1.8% in the quarter to 31 March 2024, from R7.31 to R7.44. This was largely attributable to the Ethos Capital unlisted portfolio that achieved a return of R0.55 per share over the quarter and a decrease of R0.22 per share in the listed portfolio, due to a 25% reduction in the Brait ordinary share price over the same period.

The performance of the unlisted assets in the quarter was predominantly driven by Synerlytic and Crossfin. Synerlytic has entered into binding agreements to sell its assets (Wearcheck and The Particle Group) and completion is subject to regulatory approval. Crossfin received an offer for its Adumo business and the transaction remains subject to regulatory approval. Both assets were sold at premiums to their carrying value pre-transaction, which resulted in an increase in the NAVPS.

Based on the fully diluted Brait NAVPS of R5.84 as at 30 September 2023, the Ethos Capital NAVPS increased in the quarter to 31 March 2024 by 3.5% from R9.89 to R10.24.

The table below sets out the portfolio valuation and the Company's NAVPS as at 31 March 2024:

	Ethos Capital portfolio (excluding Brait)		Brait portfolio		Combined portfolio	
	Dec 23	Mar 24	Mar 24		Mar 24	
			At	At	At	At
			R5.84	R1.37	R5.84	R1.37
NAV (million)	2,002	2,101	1,060	349	3,161	2,450
NAVPS - Rand						
Invested capital					12.45	9.65
Net liabilities					(2.21)	(2.21)
Total					10.24	7.44

Declaration announcement: unbundling of Brait ordinary shares

Introduction

On 3 June 2024, Brait announced a holistic balance sheet recapitalisation transaction (“the Brait Recapitalisation Transaction”). The Brait Recapitalisation Transaction includes a 3-year extension to the convertible bonds and exchangeable bonds and a R1.5 billion rights offer (“the Brait Rights Offer”).

The Ethos Capital board of directors (“the Board”) announced, in November 2023, that it would look to “wind down” Ethos Capital by divesting of its asset base in an orderly manner whilst making no new capital investments. The Board has been in discussions with its shareholders regarding a number of options to unlock value for shareholders.

Based on these engagements, the Board has decided to unbundle the Brait ordinary shares (“the Brait Unbundling”), which are held indirectly by Ethos Capital through TRG Africa Direct Investment Fund and TRG Africa Fund VII, to Ethos Capital shareholders.

As part of the Brait Unbundling, the Company has received in-principle approval from Rand Merchant Bank (A division of FirstRand Bank Limited) (“RMB”) to amend the Company’s existing covenants and to extend its current debt facilities until February 2028. Proceeds from the repayment of the Brait exchangeable bond held indirectly by Ethos Capital will be used to reduce the current RMB facility on completion of the Brait Recapitalisation Transaction.

The Brait Unbundling

Subject to *inter alia* obtaining the requisite exchange control approval from the South African Reserve Bank, the Brait Unbundling will be implemented as a capital distribution *in specie* to Ethos Capital shareholders of, in aggregate, 129,117,454 Brait ordinary shares, and will result in Ethos Capital shareholders receiving:

- 0.50857 Brait ordinary shares (ISIN: LU0011857645; Share code: BAT), for every 1 Ethos Capital A ordinary share (“Ethos Capital share”) held.

Based on the Brait share price as at close of business on 21 June 2024, the value of the distributed Brait ordinary shares equates to approximately R0.48 per Ethos Capital share.

Ethos Capital shareholders who transfer or dispose of their Ethos Capital shares prior to the last day to trade in Ethos Capital shares in order to be eligible to participate in the Brait Unbundling, currently expected to be Tuesday, 9 July 2024, will not participate in the Brait Unbundling and will not receive the Brait ordinary shares.

The Brait Unbundling will not involve an election on the part of Ethos Capital shareholders and, accordingly, no Ethos Capital shareholders shall be entitled to elect to receive cash *in lieu* of their entitlement to receive the Brait ordinary shares in terms of the Brait Unbundling.

To facilitate the Brait Unbundling, Black Hawk Private Equity Proprietary Limited ("Black Hawk") (a company owned by non-executive directors of Ethos Capital and their associates, which holds 13.5 million Ethos Capital shares) has antecedently waived its rights to receive its *pro rata* share of the Brait ordinary shares in terms of the Brait Unbundling. The Black Hawk shareholders have agreed to sell their Black Hawk shares to Ethos Capital for nil consideration. When this transaction is implemented, it will result in an indirect acquisition of Black Hawk's Ethos Capital shares and the associated debt; and will have no impact on the Group's NAVPS given that Black Hawk's Ethos Capital shares and associated debt have already been consolidated in the group results. The guarantee in respect of the Black Hawk debt (as previously disclosed to Ethos Capital shareholders) will remain in place. The transaction does not constitute a related party transaction under the JSE Listings Requirements.

Fractional entitlements

The distribution of the Brait ordinary shares to Ethos Capital shareholders in accordance with the distribution entitlement ratio set out above, could result in fractional entitlements for such Ethos Capital shareholders.

In accordance with the JSE Listings Requirements, such fractional entitlements will be rounded down to the nearest whole number and aggregated. The aggregated excess fractional entitlements to the Brait ordinary shares to which Ethos Capital shareholders would otherwise be entitled will not be transferred to Ethos Capital shareholders, but will instead be sold on behalf of and at the risk of the relevant Ethos Capital shareholders in the market as soon as practicable after the Brait Unbundling. Ethos Capital shareholders will accordingly be paid the cash proceeds (net of any applicable taxes such as securities transfer tax or costs) of the sale of the fractional entitlements to the unbundled Brait ordinary shares, on the basis outlined below.

In accordance with the JSE Listings Requirements, this amount will be determined with reference to the volume weighted average price of Brait ordinary shares traded on the JSE on Wednesday, 10 July, 2024, being the first trading day "ex" the entitlement to participate in the Brait Unbundling, reduced by 10% ("Cash Proceeds"). The Cash Proceeds will be paid into the accounts of the relevant Ethos Capital shareholders held with their Central Securities Depository Participant or broker.

The cash value to be used to calculate the Cash Proceeds in respect of fractional entitlements will be set announced before 11h00 on Thursday, 11 July, 2024, in accordance with the JSE Listings Requirements.

Salient dates and times

It is currently expected that the Brait Unbundling will be completed prior to the implementation of the Brait Rights Offer. If the resolutions necessary to approve and implement the Brait Rights Offer are passed by Brait shareholders at the Brait extraordinary general meeting to be held on 2 July 2024 and the Brait Rights Offer is implemented not earlier than 5 August, 2024, Ethos Capital shareholders will be eligible to participate in the Brait Rights Offer. Ethos Capital shareholders are referred to the announcements published by Brait on 3 June 2024, in relation to the Brait Rights Offer and the Brait Recapitalisation Transaction.

The following are the indicative dates and times that apply to the Brait Unbundling:

PRINCIPAL EVENTS	DATES (2024)
Publication of the declaration announcement on SENS on	Monday, 24 June
Brait Unbundling finalisation announcement is expected to be published on SENS before 11:00 on	Tuesday, 2 July
Last date to trade for Ethos Capital shareholders to participate in the Brait Unbundling expected on	Tuesday, 9 July
Ethos Capital shares expected to commence trading "ex" the entitlement to the Brait Unbundling on	Wednesday, 10 July
Ethos Capital expected to release the announcement on cost apportionment for tax purposes and the cash value for fractional entitlements to the Brait ordinary shares before 11:00 (SAST) on	Thursday, 11 July
Record date for Ethos Capital shareholders to be recorded in the register in order to receive Brait ordinary shares expected on	Friday, 12 July
Ethos Capital expected to announce the closing prices for Ethos Capital and Brait shares, after 17h00 on	Friday, 12 July
The Brait Unbundling is expected to be implemented, and the Brait ordinary shares delivered to Ethos Capital shareholders, on	Monday, 15 July

Notes:

1. The above dates and times are subject to change and/or amendment at the discretion of Ethos Capital, subject to the approval of the JSE, if required. Any such amendment will be published on SENS.
2. Share certificates in respect of Ethos Capital shares held on the share register may not be dematerialised or re-materialised between Wednesday, 10 July 2024 and Friday, 12 July 2024, both days inclusive.

Trading and settlement

Ethos Capital shareholders will receive their Brait ordinary shares in dematerialised (electronic) form.

Taxation

The Brait Unbundling constitutes a return of capital by Ethos Capital (a company incorporated in, and subject to, the laws of the Republic of Mauritius) to its shareholders, and therefore South African dividend withholding tax is not applicable.

Securities transfer tax will be payable on the transfer of the Brait ordinary shares to Ethos Capital shareholders pursuant to the Brait Unbundling in terms of the Securities Transfer Tax Act No. 25 of 2007 ("STT Act"). The amount of securities transfer tax to be imposed will be calculated as 0.25% of the closing price of the Brait ordinary shares on the record date for Ethos Capital shareholders to be recorded in the register in order to receive Brait ordinary shares, expected to be on Friday, 12 July 2024. In terms of the STT Act, the CSDP of the relevant Ethos Capital shareholder will be liable for the securities transfer tax payable in respect of the transfer of the Brait ordinary shares pursuant to the Brait Unbundling. However, in terms of the STT Act, the CSDP of the relevant shareholder is

entitled to recover the amount of the STT payable from the shareholder to whom the Brait ordinary shares are transferred pursuant to the Brait Unbundling.

The sale of any fractional entitlements of Brait ordinary shares will also give rise to securities transfer tax under the SST Act on a similar basis as outlined above.

Ethos Capital shareholders should obtain independent legal and other professional advice in relation to the tax treatment of the Brait Unbundling.

Appointment of Chief Executive Officer ("CEO")

After eight years as the Ethos Capital CEO, Peter Hayward-Butt has tendered his resignation to the Board. The Board is highly appreciative of the efforts that Peter has made to the conceptualisation of Ethos Capital and to its operational management since listing.

Anthonie de Beer will assume the role of CEO on 1 July 2024. Anthonie has been with Rohatyn Management South Africa (Pty) Ltd (and Ethos Private Equity (Pty) Ltd before that) for over 22 years in various roles including as the Managing Partner for the Large Private Equity Funds. He has intimate knowledge of the Ethos Capital asset base and strategy.

The Board looks forward to working to deliver the value unlock strategy for shareholders and will continue to assess all options to do so.

Ebene, Mauritius (with simultaneous circulation in Johannesburg)

24 June 2024

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Disclaimer

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

Subject to any applicable law or regulations, Ethos Capital shareholders should note that in the event that any difficulty arises in connection with the Brait Unbundling, Ethos Capital may settle that difficulty as it, in its sole discretion, deems expedient.

The release, publication or distribution of this announcement in jurisdictions other than South Africa may be restricted by law and therefore persons into whose possession this announcement may come should inform themselves about, and observe, any such applicable restrictions or requirements. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws and regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the Company disclaims any responsibility or liability for the violation of any restrictions or requirements by any person.

This announcement is for information purposes only and is not, and should not be construed as to constitute, an offer to sell or the solicitation of an offer to buy securities in any jurisdiction and neither this document nor anything herein nor any copy thereof may be taken into or distributed, directly or indirectly, in or into any jurisdiction in which to do so would be prohibited by applicable law.

Nothing contained in this announcement constitutes, or is intended to constitute, investment, tax, legal, accounting, or other professional advice.

Any statement contained in this announcement or in any document which is incorporated by reference into this announcement will be deemed to be modified or superseded for the purposes of this announcement to the extent that a statement contained in any subsequent document which is deemed to be incorporated by reference into this announcement modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Exchange Control

Certain exchange control implications may apply to the holding of Brait ordinary shares by Ethos Capital shareholders. It is the responsibility of each Ethos Capital shareholder to inform themselves about such exchange control implications and Ethos Capital shareholders who have any queries regarding exchange control related matters should contact their own professional advisers without delay.

This announcement comprises the formal transaction announcement in respect of the Brait Unbundling and is intended to provide Ethos Capital shareholders with the terms of the Brait Unbundling. No further documents or circulars will be published in respect of the Brait Unbundling. Prior to any Ethos Capital shareholder taking any action in respect of the Brait Unbundling, Ethos Capital shareholders are advised to carefully consider the contents of this announcement in full, and to only take action after having done so. If you are in doubt of what action you should take in respect of the Brait Unbundling, please consult your broker, banker, legal adviser, CSDP or other professional adviser immediately.

Restricted Ethos Capital shareholders

The legality of the Brait Unbundling to persons resident or located in jurisdictions outside of South Africa may be affected by the laws of their relevant jurisdiction. Such persons should consult their professional advisers and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such person wishing to participate in the Brait Unbundling to satisfy themselves as to the full observance of the Laws of the relevant jurisdiction in connection therewith.

Forward-looking statements

This announcement contains statements about Ethos Capital that are, or may be, forward-looking statements. All statements (other than statements of historical fact) are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industries in which Ethos Capital invests as well as markets generally; production; cash costs and other operating results; growth prospects and outlook for operations and/or investments, individually or in the aggregate; liquidity, capital resources and expenditure, statements in relation to the Brait Unbundling, its implementation and the benefits of the Brait Unbundling. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. Examples of forward-looking statements include statements regarding a future financial position.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, returns and the developments within the industries and markets in which the Company invests may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement.

Investors should keep in mind that any forward-looking statement made in this announcement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the investments of the Company not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results, performance, or achievement to differ materially from those contained in any forward-looking statement is not known. The Company has no duty to, and does not intend to, update, or revise the forward-looking statements contained in this announcement or any other information herein, except as may be required by law. Any forward-looking statement has not been reviewed nor reported on by the Company's external auditor or any other expert.