



Sabvest Capital Limited

Incorporated in the Republic of South Africa

Registration number 2020/030059/06

“Sabcap” or “the group” or “the company”

ISIN: ZAE000283511

JSE share code: SBP

AUDITED PRELIMINARY CONSOLIDATED SUMMARISED RESULTS

for the year ended 31 December 2021

and cash dividend declaration

Consolidated Summarised Statement of Financial Position

as at 31 December 2021

	Audited 31 Dec 2021 R'000	Audited 31 Dec 2020 R'000
Non-current assets	4 022 008	3 364 619
Property, plant and equipment	2 515	2 990
Right of use asset	3 304	4 210
Investment holdings	4 016 189	3 357 419
Unlisted investments	3 430 078	2 895 853
Listed investments	586 111	461 566
Current assets	243 161	281 136
Finance advances and receivables	21 663	134 649
Investment funds offshore	75 138	56 295
Investments held-for-sale	–	86 341
Cash balances	146 360	3 851
Total assets	4 265 169	3 645 755
Ordinary shareholders' equity	3 704 327	3 048 991
Non-current liabilities	499 302	509 306
Interest-bearing debt	240 000	330 000
Provisions	17 255	4 983
Lease liability	2 758	–
Deferred tax liabilities	239 289	174 323
Current liabilities	61 540	87 458
Interest-bearing debt	20 390	39 610
Current portion of interest-bearing debt	–	10 000
Portfolio finance offshore	12 944	–
Interest-bearing debt	7 446	29 610
Accounts payable, provisions and lease liability	41 150	47 848
Total equity and liabilities	4 265 169	3 645 755

Consolidated Summarised Statement of Changes in Equity

for the year ended 31 December 2021

	Share capital R'000	Non- distribu- table reserve R'000	Accumu- lated profit R'000	Total R'000
Balance as at 1 January 2020	1 443 375	(1 319 213)	2 635 294	2 759 456
Total comprehensive profit for the year	–	44 840	293 184	338 024
Sabvest share repurchase	–	–	(11 791)	(11 791)
Shares repurchased and cancelled	(15 306)	–	–	(15 306)
Shares held in treasury	(1 204)	–	–	(1 204)
Dividends paid	–	–	(20 188)	(20 188)
Balance as at 1 January 2021	1 426 865	(1 274 373)	2 896 499	3 048 991
Total comprehensive profit for the year	–	56 033	679 201	735 234
Shares held in treasury – written back	1 204	–	–	1 204
Shares repurchased and cancelled	(66 014)	–	–	(66 014)
Shares held in treasury	(1 148)	–	–	(1 148)
Unclaimed dividends written back	–	–	68	68
Dividends paid	–	–	(14 008)	(14 008)
Balance at 31 December 2021	1 360 907	(1 218 340)	3 561 760	3 704 327

Contingent Liabilities

as at 31 December 2021

- The Group has rights and obligations in terms of shareholder or purchase and sale agreements relating to its present and former investments.
- A subsidiary has given guarantees on behalf of certain investees in the ordinary course of business for deal and operational credit in amounts totaling R150m (31 Dec 2020: R75m) and which were utilised at reporting date in the amount of Rnil (31 Dec 2020: R50m).
- A subsidiary has given an undertaking to follow a rights issue in an investee of up to \$3 million if so required by its bankers in 2022.

Consolidated Summarised Statement of Comprehensive Income

for the year ended 31 December 2021

	Audited 31 Dec 2021 R'000	Audited 31 Dec 2020 R'000
Gross income from operations and investments	864 134	492 075
Dividends received	253 036	107 226
Interest received	18 355	18 834
Foreign exchange (loss)/gain	(2 584)	6 525
Loss on sale of financial instruments and shares	–	(7 118)
Fees	1 756	1 771
Fair value adjustments to investments	593 571	364 837
– Listed	227 173	63 727
– Unlisted	366 398	301 110
Transactional costs	(1 117)	(12 785)
Fair value loss on initial recognition and modification of interest-free loans	(3 612)	(688)
Interest paid	(19 922)	(27 667)
Net income before operating expenses	839 483	450 935
Less: Expenditure	(95 316)	(56 404)
Net income before taxation	744 167	394 531
Taxation	(64 966)	(101 347)
Net income for the year attributable to equity shareholders	679 201	293 184
Translation of foreign subsidiary *	56 033	44 840
Total comprehensive income attributable to equity shareholders	735 234	338 024

* This item may subsequently be classified to profit and loss.

Consolidated Summarised Statement of Cash Flows

for the year ended 31 December 2021

	Audited 31 Dec 2021 R'000	Audited 31 Dec 2020 R'000
Cash flows from operating activities	149 816	12 932
Net income for the year	679 201	293 184
Adjusted for non-cash items and interest paid	(495 455)	(232 397)
Cash flows from operations	183 746	60 787
Cash interest paid	(19 922)	(27 667)
Dividends paid – ordinary	(14 008)	(20 188)
Cash flows utilised in investing activities	168 490	(14 963)
Purchase of property, plant and equipment	(379)	(303)
Purchase of investment holdings and offshore portfolio	(440 414)	(188 952)
Proceeds from sale of investment holdings and offshore portfolio	498 746	183 852
Decrease/(increase) in finance advances and receivables	110 537	(9 560)
Cash flows from financing activities	(175 797)	2 757
(Decrease)/increase in long-term loans	(100 000)	40 000
Repurchase of company shares	(65 959)	(16 510)
(Decrease)/increase in interest-bearing debt	(22 164)	12 888
Repayment of principal portion of lease liability	(618)	(1 065)
Increase/(decrease) in offshore portfolio finance	12 944	(35 476)
Increase in cash offshore	–	2 920
Change in cash and cash equivalents	142 509	726
Cash balances, less current interest-bearing debt excluding portfolio finance at beginning of year	3 851	3 125
Cash balances, less RSA interest-bearing debt at end of year	146 360	3 851

Other information

as at 31 December 2021

	% increase	Audited 31 Dec 2021 R'000	Audited 31 Dec 2020 R'000
Net asset value per share – cents	25,9	9 371	7 444
Headline earnings/(loss) per share – cents *	138,5	1 689,7	708,5
Earnings/(loss) per share – cents	138,5	1 689,6	708,4
Dividends per share – cents	200,0	75	25
Profit/(loss) after taxation – R'm	131,7	679,2	293,2
Shareholders' funds – R'm	21,5	3 704,3	3 049,0
Gross assets – R'm	17,0	4 265,2	3 645,8
Number of shares in issue less held in treasury – 000's		39 530	40 960
Weighted average number of shares is issue – 000's		40 200	41 387
Reconciliation of headline earnings/(loss) (R'000)			
Net income for the period		679 201	293 184
Loss on sale of property, plant and equipment		51	48
Headline earnings/(loss) for the period		679 252	293 232

* There are no diluting instruments.

Investment Holdings

as at 31 December 2021

	Number of Ordinary shares/units	Economic interest %	Fair value R'000
Unlisted Investments			
Apex Partners Holdings (Pty) Ltd		44,8	303 760
Classic Food Brands (Pty) Ltd		25,0	15 091
DNI-4PL Contracts (Pty) Ltd * ¹		19,1	907 682
Flexo Line Products (Pty) Ltd		47,5	109 611
ITL Holdings Group * ²		34,0	611 239
Masimong Group Holdings (Pty) Ltd		10,0	296 197
Revix UK		15,5	–
Rolfes Holdings (Pty) Ltd * ³		25,1	201 594
SA Bias Industries (Pty) Ltd * ⁴		85,2	906 348
Sunspray Food Ingredients (Pty) Ltd * ⁵		27,7	78 556
			3 430 078
Listed Investments			
Corero Network Security Plc	47 000 000	9,5	126 181
Metrofile Holdings Limited	55 000 000	12,7	189 750
Transaction Capital Limited	6 000 000	0,8	270 180
			586 111
Non-current investment holdings			4 016 189
Current investments			
Capital Group New Perspective Fund (LUX – Equity)	191 662		75 138
			75 138
Total current investments			75 138
TOTAL HOLDINGS			4 091 327

*¹ Effective interest of 19,1% in DNI through 28,74% of JAAH Investments which indirectly owns 46,12% of DNI through DN Invest (Pty) Ltd and a 5,85% interest in DN Invest (Pty) Ltd which owns 100% of DNI.

*² ITL Holdings Limited Jersey held indirectly through Mandarin Investors Limited and directly through Mandarin Industries Limited BVI and ITL Holdings SA (Pty) Ltd held directly through Mandarin Holdings (Pty) Ltd.

*³ Effective interest of 25,1% through 11,0% held directly and 14,1% indirectly through Masimong Chemicals (Pty) Limited

*⁴ Voting interest 49%.

*⁵ Held indirectly through ordinary shares in Famdeen Investments (Pty) Ltd.

Investment Holdings per Sector

as at 31 December 2021

	Listed/ Unlisted	Number of ordinary shares/units	Economic interest %	Fair value R'000
Industrial and Services				
Apex Partners Holdings (Pty) Ltd	U		44,8	303 760
Classic Food Brands (Pty) Ltd	U		25,0	15 091
DNI-4PL Contracts (Pty) Ltd	U		19,1	907 682
Flexo Line Products (Pty) Ltd	U		47,5	109 611
ITL Holdings Group	U		34,0	611 239
Metrofile Holdings Limited	L	55 000 000	12,7	189 750
Rolfes Holdings (Pty) Ltd	U		25,1	201 594
SA Bias Industries (Pty) Ltd	U		85,2	906 348
Sunspray Food Ingredients (Pty) Ltd	U		27,7	78 556
				3 323 631
Mining and Agriculture				
Masimong Group Holdings (Pty) Ltd	U		10,0	296 197
				296 197
Specialised Financial and Technology				
Corero Network Security Plc	L	47 000 000	9,5	126 181
Revix UK	U		15,5	–
Transaction Capital Limited	L	6 000 000	0,8	270 180
				396 361
Non-current investment holdings				4 016 189
Current investments				
Capital Group New Perspective Fund (LUX – Equity)	L	191 662		75 138
				75 138
TOTAL HOLDINGS				4 091 327

PROFILE

Sabvest Capital Limited (Sabcap) is an investment group first listed on the JSE in 1988 as Sabvest Limited and as Sabcap from 2020. The Seabrooke Family Trust (SFT) has voting control of Sabcap through an unlisted Z share and has an economic interest of 40% through its holding in the listed ordinary shares. At the year-end Sabcap had 39 530 000 shares in issue net of treasury shares (2020: 40 959 500). The maximum number of Sabvest shares in issue in prior years was 52 327 962, which has been reduced to the current level through buy backs (net of the issue of additional shares when Sabcap listed).

Sabcap has long-term interests in ten unlisted and three listed investments, all accounted for on a fair value basis. Sabcap's primary focus is on industrial and service businesses, usually unlisted and co-invested with family, management or financial partners in terms of Sabcap's Partnership Principle. Sabcap also makes finance advances and holds listed debt, equity and cash portfolios when it has surplus liquidity, and undertakes other fee and profit earning activities from time to time.

The unaudited combined revenues of Sabcap's nine industrial investees was R15,5bn in 2021.

CHANGES IN INVESTMENT HOLDINGS

During the reporting period Sabcap:

- ◆ disposed of its Brait bonds for GBP2,308m (R48,2m);
- ◆ received R36,0m for 10,9m Rolfes shares which were under option to Phatisa;
- ◆ increased its look through interest in the two Mandarin structures owning the ITL Group from 30% to 34% for \$4,8m (R70,2m) and R0,8m respectively;
- ◆ received early repayment of its redeemable preference shares in Mandarin Holdings of R112,4m and received a net amount of R63,2m after re-investing R48,8m of the proceeds on loan account as part of the funding for the redemption;
- ◆ invested a further R8,7m in Masimong pro rata in a rights issue;
- ◆ increased its interest in Metrofile to 55m shares for R15,0m;
- ◆ increased its shareholding in Corero Network Security Plc (Corero) from 36,3m shares to 47m shares for GBP1,3m (R27,4);
- ◆ restructured its interests in SA Bias Industries from 59,9% to 85,1% but SA Bias reduced its interests in Flowmax and Narrowtex Group from 100% to 73,9% and 75% respectively, with the result that Sabcap's look through interest in SA Bias' two operating divisions increasing marginally from 59,9% in each to 62,9% in Flowmax and 63,9% in Narrowtex Group;
- ◆ sold 4m Transaction Capital (TC) shares for R142,1m;
- ◆ settled the section 164 appraisal claims in respect of the 251 880 Sabvest shares for an amount of R11,9m; and
- ◆ acquired 1 429 500 Sabcap shares through a shareholder approved buyback program for R66,0m and cancelled 1 450 000 shares (which included the 40 500 ordinary shares held as treasury shares at 31 December 2020), with the number of shares in issue at year end, net of the remaining 20 000 treasury shares, being 39 530 000 ordinary shares.

Subsequent to the reporting date, Sabcap has:

- ◆ disposed of a further 1m TC shares for R48,7m, retaining 5m shares;
- ◆ increased its holding in Corero Network Security Plc by 3m shares to 50m shares, representing 10,1% of Corero, for GBP0,4m (R7,4m);
- ◆ subscribed for a 49,9% equity interest in a subsidiary of Masimong Group Holdings Proprietary Limited, Masimong Electrical Holdings Proprietary Limited (MEH), committing to make shareholder loan funding of R199m and financial guarantees R24,5m available to MEH on demand to facilitate the acquisition of all the shares in ARB Holdings Limited (ARB) not owned by the Alan Burke family for R697m (before transaction costs) through a scheme of arrangement and a delisting and which, if successful, will result in MEH owning 37,07% of ARB;
- ◆ supported, through the issuance of a guarantee, the participation of Apex Partners Holdings (Pty) Limited in the provision of funding for the refinance of Ascendis Healthcare Limited and the subsequent offer by Apex to acquire 100% of the entities comprising the Medical Devices division of Ascendis; and
- ◆ noted that corporate tax rate changed to 27% which will have an effect on the deferred tax liability at the capital gains tax rate for the year ended 31 December 2023, the impact of which cannot be reliably estimated at this time.

COVID-19 FINANCIAL EFFECTS

All of Sabcap's investee companies are now trading at or better than 2019 pre-COVID levels.

FINANCIAL RESULTS

Sabcap recorded very satisfactory results for the year with NAV per share increasing by 25,9% to 9 371 cents per share, with PAT increasing by 131,7% to R679,2m (a new record high for Sabcap) and HEPS and EPS increasing by 138,5% to 1 689,7 and 1 689,6 cents per share respectively.

The favourable results were largely due to strong fair value gains in Apex, Corero, DNI, Flexo, Masimong, Metrofile, Rolfes, SA Bias and Transaction Capital together with higher income flows from investees, the benefits of conservative debt levels and a weaker rand improving the rand translated values of non RSA holdings.

With regard to cash income, dividends received included a special dividend of R88,2m from SA Bias which facilitated the restructure at SA Bias referred to in the Changes to Investment Holdings.

Expenditure increased materially due to incentive provisions normalising at the much higher level of profitability and increased costs due to an expansion of the executive team and use of outsourced services. Sabcap targets to maintain expenditure at 1,5% – 2,0% per annum of assets over three year periods. In this regard there are no other ongoing costs to shareholders as there are no share schemes nor separate profit carry share – all incentive schemes are expensed in the annual expenditure.

Interim and final dividends of 20 cents and 55 cents per share respectively have been declared for 2021 which represents a 200% increase relative to the COVID affected 2020 dividends of 25 cents (which had been the first reduction in dividends in 20 years) and a return to the 2019 dividend level. In addition, R66,0m was allocated to buybacks of Sabcap shares during the year at material discounts to NAV.

A portion of the cash receipts from realisations was utilised to prepay R100m of term debt due in 2021 and 2022. The remaining term debt maturities are 2023 – 2025. The balance of the cash receipts was retained to fund new investments and are now earmarked for the MEH/ARB transactions. Surplus operating cash flow was largely utilised to fund share buybacks.

The balance sheet remains strong and under geared. Shareholders' funds increased by 21,5% to R3 704,3m at year-end.

GROWTH METRICS

Sabcap's primary financial metric is growth in NAV per share. The 15 year compound annual growth rate (CAGR) in NAV per share to the 2021 year-end was 16,9%, calculated without reinvesting dividends. The CAGR after reinvesting dividends was 18,6% (calculated with dividends notionally not paid and the amounts notionally retained by the Company, growing at 10% per annum).

	Cents	PERCENTAGE COMPOUND GROWTH				
		1 year %	3 years %	5 years %	10 years %	15 years %
NAV per share	9 371	25,9	17,0	20,8	19,6	16,9

Sabcap's share price is usually at a discount to its NAV per share but the discount narrowed considerably in 2021. However, notwithstanding the fluctuating discounts in different periods, the growth in share price itself over different periods is set out in the table below. The growth rate over one year was 105,0% and the CAGR over 15 years was 16,0%.

	Cents	PERCENTAGE COMPOUND GROWTH *				
		1 year %	3 years %	5 years %	10 years %	15 years %
Market price per share	6 100	105,0	12,3	17,9	22,6	16,0

* The 1 year CAGR is calculated using the Sabcap share price, with the remaining CAGRs calculated with reference to the weighted average share prices of the Sabvest ordinary and 2N ordinary shares.

The growth metrics have not been audited, but have been determined based on audited information.

VALUATION OF INVESTMENTS

Listed investments are valued at market prices at the reporting date.

Unlisted investments have been valued using the maintainable earnings model or attributable net asset value if more appropriate. The valuations are done on a pre-IFRS 16 basis. The maintainable earnings model is based on normalised maintainable EBITDA to which an appropriate multiple is applied taking account for each investee individually its size, industry, geography, growth rate, comparable and recent transactions, and then adjusted for normalised net cash/debt.

The multiples used are unchanged relative to the prior year. Apex has changed its basis of accounting from fair value under IFRS 10 to consolidating.

Masimong continues to account on a fair value basis mainly using discounted cash flows for its mining and agricultural operations. Therefore, Sabcap values Masimong at fair value as a percentage of NAV.

Foreign investments are valued in rands at the closing exchange rate on the reporting date which in the case of ZAR/USD was 15,8976 (31 Dec 2020: 14,6915).

Deferred Capital Gains Tax (CGT) has been raised on all fair value gains except where there are offsetting tax losses or expected CGT exemptions. CGT is accordingly not raised on gains relating to ITL International and Flowmax UK (in SA Bias), nor in Apex for as long as tax losses exceed the notional gains, nor relative to Masimong which itself raises the required CGT provisions.

LISTED INVESTMENTS

- ◆ **CORERO** is an LSE listed group focused on cyber and network security and in particular protection from DDOS attacks.

Corero continues to grow its revenues satisfactorily and performed strongly in FY21, with revenues expected to be in-line with market expectations and EBITDA anticipated to be ahead of market expectations. In addition, Corero anticipates reporting a maiden profit before taxation.

Corero's relationship with Juniper Networks continues to gain traction and facilitate higher volumes and revenues.

Corero's share price increased to 12,5p (31 Dec 2020: 10p) and Sabcap increased its shareholding from 36,3m to 47m during the period and to 50m subsequent to the year end, which is an interest of 10,1%.

Prospects for continued growth are good.

Valuation summary:	2021	2020
Number of ordinary shares	47 000 000	36 250 000
Price per share – GBP	12,5	10,0
Fair value – GBP'000	5 875	3 625
Fair value – R'000	126 181	72 754

- ◆ **METROFILE** is a JSE listed service provider to industry in four categories – secure storage, digital services, business support services and product and solutions.

Metrofile achieved good results for FY21 despite the continued impacts of the pandemic and the challenging economic environment. Following the successful completion of the rationalisation of its operations and its strategic review and having achieved target gearing levels, with cost reduction initiatives ensuring a more efficient structure, it is expected to show similar growth going forward.

Metrofile's share price increased to 345 cents (31 Dec 2020: 279 cents) and Sabcap's shareholding increased slightly to 55,0m shares (31 Dec 2020: 50,1m) during the period. Prospects for future growth are good.

Valuation summary:	2021	2020
Number of ordinary shares	55 000 000	50 147 662
Price per share – cents	345	279
Fair value – R'000	189 750	139 912

- ◆ **TRANSACTION CAPITAL (TC)** is a JSE listed specialised financial group whose operations comprise SA Taxi, TC Risk Services and WeBuyCars.

TC's resilience and agile response to COVID has enabled all its divisions to continue to trade strongly, resuming its long-term track record of growth in FY21 with operational metrics nearing or exceeding pre-COVID levels. TC is well positioned for growth in line with its pre-COVID track record.

TC's share price increased to 4 503 cents (31 Dec 2020: 2 489 cents) and Sabcap reduced its shareholding from 10m to 6m shares during the period. The reduction was part of Sabcap's liquidity and portfolio balancing decisions and not TC specific.

Prospects for future growth are strong.

Valuation summary:	2021	2020
Number of ordinary shares	6 000 000	10 000 000
Price per share – cents	4 503	2 489
Fair value – R'000	270 180	248 900

UNLISTED INVESTMENTS

- ◆ **APEX PARTNERS** is a specialist decentralised industrial holding company with a portfolio of controlling interests in distribution, manufacturing and infrastructure businesses in South Africa. It also provides advisory, investing and lending solutions which may include taking proprietary positions in distressed entities or in group restructures. Apex group entities are broken down into three segments – distribution, engineering and manufacturing. The distribution segment includes Letaba Pumps, TGS, Elephant Lifting and ELB Equipment. The engineering segment includes ELB Construction and Clyde Bergemann Africa (renamed CBZ Solutions). The manufacturing division includes Gabriel SA.

While some of Apex's operations were affected by COVID, all are now trading at or above pre- COVID levels. The strategy of building a sound cash generative new industrial group in South Africa is being well implemented.

Sabcap's shareholding in Apex was unchanged during the period.

Prospects for organic and continued acquisitive growth are strong. Apex also intends to establish Apex UK in the year ahead and will follow the same acquisitive model in the UK in similar industries as currently in RSA.

Valuation summary:	2021	2020
EBITDA valuation multiple/basis of valuation	4,5x	NAV
44,8% equity interest – R'000	303 760	88 485
Investment loans – R'000	–	39 999
Total – R'000	303 760	128 484

- ◆ **CLASSIC FOOD BRANDS (CFB)** is a food manufacturer specialising in crumbed chicken products distributed mostly through retail outlets and in particular through new national contracts with major supermarket and food chains in South Africa.

CFB's operations were affected by the three COVID waves and its Durban manufacturing facilities were closed but not damaged during the unrest in KwaZulu-Natal. Sales volumes have been affected as a result but are expected to be back to projections by Q2 FY2022.

Sabcap's shareholding was unchanged during the period. Loan funding was increased during the period. The fair value is stated after an impairment provision but which may be reversed if projected revenues and profits are achieved.

Sabcap is cautiously optimistic on future prospects for CFB.

Valuation summary:	2021	2020
Basis of valuation	NAV	NAV
25% equity interest – R'000	–	–
Investment loans – R'000	15 091	13 290
Total – R'000	15 091	13 290

- ◆ **DNI** provides technology, logistics and distribution services to the telecoms and related industries and to all network operators in RSA, including sim card starter packs, airtime and handset distribution, tower leasing and technology platforms. Its divisions include Sim Card Distribution, Airtime and VAS, Hardware Distribution and Technology. The Technology division includes the DigiCo Companies such as Airvantage, M4JAM and Paymenow. During the period One Thousand and One Voices (1K1V) and Jason Goodall took minority shareholdings in Digico and Jason has been appointed its chairman after retiring from Nippon Telegraph and Telephone (NTT) and Dimension Data.

DNI has grown well and continues to be highly cash generative and pays a high level of dividends.

Sabcap's direct and indirect shareholding has reduced slightly to 19,1% (31 Dec 2020: 19,4%) due to a small share issue which increased DNI's BEE shareholding to 30%.

Prospects for organic and acquisitive growth are good.

Valuation summary:	2021	2020
EBITDA valuation multiple	6,5x	6,5x
19,1% equity interest (2020: 19,4%) – R'000	907 682	839 376

- ◆ **FLEXO LINE PRODUCTS** is a manufacturer of high quality injection moulded plastic products primarily for the spice and food industries locally and internationally and is the largest manufacturer of these products in the southern hemisphere.

Flexo has grown materially and is increasingly cash generative.

Sabcap's shareholding in Flexo was unchanged during the period. Its loan funding included in the valuation increased by R14,6m in accordance with revised arrangements with co-shareholders. Prospects for growth are strong.

Valuation summary:	2021	2020
EBITDA valuation multiple	4,5x	4,5x
47,5% equity interest – R'000	29 882	29 802
Investment loans – R'000	79 729	65 206
Total – R'000	109 611	95 008

- ◆ **ITL GROUP** (Intelligent Labelling Solutions) is a market leading international designer, manufacturer and distributor of apparel labelling and identification products and supply chain management solutions, including RFID, from its factories and marketing offices in the United States, Canada, Mexico, United Kingdom, Germany, China, India, Vietnam, Sri Lanka, Bangladesh, Hong Kong, Turkey, Ethiopia, Mauritius, Madagascar and South Africa for supply to the clothing industry worldwide through multiple international retail group accreditations.

ITL was badly affected by COVID in 2020 with all of its operations worldwide closed during the various international lockdowns. All of its factories had re-opened by the end of Q3 2020. However, although northern hemisphere retail demand rebounded, the order levels only reached or surpassed 2019 levels late in 2021, with the varied product demand mix and geographic sourcing leading to slightly lower margins and profits. This has negatively affected the dollar valuation at the reporting date. Based on order levels and mix at the reporting date, new account wins and increasing demand for RFID, ITL is comfortable that it is back on track to meet its projections.

Sabcap's shareholding in ITL was increased to 34% during the period (31 Dec 2020: 30%) for an amount of R71,0m when an opportunity arose to acquire additional shares. Its investment then reduced by a net R63,2m when the R112m preference share held by it in the Mandarin/ITL SA structure was redeemed and R48,8m reinvested by Sabcap on loan account to fund its share of the redemption.

Prospects for a resumption of profit growth in 2022 are good. Trading in the first two months of 2022 has exceeded prior year and budgets. In addition ITL remains well positioned strategically, geographically and operationally in its industry relative to its competitors.

Valuation summary:	2021	2020
EBITDA valuation multiple	9,0x	9,0x
34,0% equity interest (2020: 30,0%) – R'000	26 139	103 486
Investment loans – R'000	585 100	441 952
Sub-total * – R'000	611 239	545 438
Preference shares – R'000	–	109 635
Total – R'000	611 239	655 073

* The equity interest and investment loans need to be considered together as the investment loans increased pursuant to an internal capital restructure.

- ◆ **MASIMONG GROUP HOLDINGS** is an investment group with a portfolio of high performing growth assets and in particular its mining interests in Seriti Coal, South 32's South African Energy Coal (now Seriti Power) and Lephalale Coal and Power, and its agricultural interests in Mouton Citrus, Carmien Tea, Southern Cross Investment Holdings (which owns grape and date farms) and Winfield United South Africa (which is a provider of specialist crop input products and services including crop protection, plant nutrition, soil conditioning, fumigation and seeds). It also holds smaller diversified interests including Rolfes and Anchor Capital.

Subsequent to the year end a subsidiary of Masimong, owned 50,1% by Masimong and 49,9% by SABCAP directly, has made an offer of R697m for 37,1% of ARB Holdings Limited through a scheme of arrangement and a delisting with the founding Alan Burke family retaining its 62,9% holding and management control.

Sabcap's shareholding in Masimong was unchanged during the period. It invested a further R8,7m by following its share of a rights issue. Masimong's valuations are mostly DCF based, independently prepared by industry experts and separately audited, and depending on shareholder agreements, are stated after liquidity and minority discounts. Full deferred CGT provisions are raised by Masimong.

Prospects for continued growth in NAV are strong.

Valuation summary:	2021	2020
Basis of valuation	NAV	NAV
10,0% equity interest – R'000	296 197	172 150

- ◆ **REVIX UK** offers an investment platform that enables retail investors to obtain direct access and ownership of several individual crypto currencies, ready-made crypto portfolios called "bundles" and crypto-based yield-bearing opportunities. Revix intends to expand its products in 2022 beyond crypto currencies into emerging and disruptive themes including AI, biotech, 5G and eSports.

Revix has continued to grow steadily despite regulatory hurdles for cryptos in most countries. Revix is hopeful that legislation will be clarified and introduced in the year ahead in the countries in which it will operate which will then enable it to be regulated in appropriate jurisdictions and grow within those frameworks. It expects to reach breakeven revenues in 2022. Revix was one of 21 start-ups worldwide to be accepted into the Berkeley Blockchain Xcelerator and one of only 2 start-ups to join the Founders Factory Africa Accelerator in 2021.

Since the original seed funding rounds backed by Sabcap and Net1, Revix has successfully concluded two additional funding rounds and is busy with a third – all at successively higher valuations. Sabcap elected not to follow the last two rounds and to accept a dilution in its interests although it retains certain rights and protections as a seed investor. New investors include 21 Finance in Europe and The Qatar Investment Bank. Sabcap's shareholding has accordingly reduced to 15,5% (31 Dec 2020: 31%). The valuation of Revix as a start-up is stated at zero after a full impairment provision.

Prospects are difficult to determine but developments in 2021 have been positive.

Valuation summary:	2021	2020
Basis of valuation	NAV	NAV
15,5% equity interest (2020: 31,0%) * – R'000	–	–

* Investment loans were converted to equity during the period.

- ◆ **ROLFES HOLDINGS** is a specialist manufacturer and distributor of agricultural, food, industrial and water chemical solutions and services.

Most of Rolfes divisions grew satisfactorily in the 2021 financial year and trading in the first half of 2022 has been at record levels and ahead of prior year and budgets.

Prospects for continued growth are good.

Valuation summary:	2021	2020
EBITDA valuation multiple	6,0x	6,0x
25,1% equity interest – R'000	201 594	145 452

- ◆ **SA BIAS INDUSTRIES** is an international industrial group comprising:

- Flowmax is a group of 15 companies in the United Kingdom and Europe engaged in the manufacture, distribution and servicing of medium technology fluid handling equipment, consumables and measurement systems, and solutions for other industrial variables such as heat management and control.
- Narrowtex Group which is a South African manufacturer and exporter of a range of narrow fabric products including webbings, strapping, tapes and braids, and of lingerie components, elastics and accessories through Narrowtex, Webbing Products, National Braiding (NBI), Specialised Ropes and Apparel Component Manufacturers (ACM).

SA Bias is trading satisfactorily at levels in excess of 2019 and 2020 and with good cash generation. It has a liquid balance sheet and is well positioned for continued acquisitions particularly in the UK.

Sabcap has restructured SA Bias and its shareholdings to meet the requested changes of its partners, the Coutts-Trotter family. Sabcap previously held 59,9% of SA Bias which owned 99% of Flowmax and 100% of Narrowtex. Sabcap now owns 85,15% of SA Bias which owns 75% of Narrowtex Group and 73,87% of Flowmax with the family having acquired 25%, and 25,01% directly in each respectively and reducing their direct holdings in SA Bias, with management holding the remaining 1,12% in Flowmax. That has resulted in Sabcap's look through shareholdings in Flowmax and Narrowtex Group increasing from 59,9% in each to 62,9% and 63,86% respectively.

Prospects for growth in Narrowtex are good and in Flowmax organically and through ongoing acquisitions are strong.

Valuation summary:	2021	2020
EBITDA valuation multiples *	6,0x / 4,5x	6,0x / 4,5x
85,1% equity interest (2020: 59,9%) – R'000	906 348	768 590

* Flowmax is valued at 6,0 times and Narrowtex at 4,5 times.

- ◆ **SUNSPRAY FOOD INGREDIENTS** provides food ingredient solutions to South African and African manufacturers by supplying spray dried and blended powdered food and drink products and services. It is the largest independent contract supplier in Africa.

Sunspray recorded a drop in earnings in 2021 for the first time in many years due to various operational and supply chain difficulties. It is projecting to return to growth and exceed 2020 earnings in 2022. Its revised five year plan also shows continued growth and at higher margins due to technical innovations, enhanced production capabilities and a broader product/service offering.

Prospects for a resumption of growth in 2022 are good.

Valuation summary:	2021	2020
EBITDA valuation multiple	5,0x	5,0x
27,7% equity interest – R'000	73 316	73 545
Investment loans – R'000	5 240	4 885
Total – R'000	78 556	78 430

SABCAP CURRENT ASSETS

With regard to Sabcap's current assets:

- ◆ Finance advances and receivables relate primarily to funding to investees, potential investees, co-shareholders and management in investees.
- ◆ Investment funds offshore are an investment of surplus cash of R75,1m (USD4,7m) in the USD Capital Group New Perspective Fund.
- ◆ Cash balances comprise R146,4m in ZAR.

PARTNERSHIP PRINCIPLE

Sabcap invests alongside family, operating and financial partners. Its partners in each investment are recorded in the annual integrated report on the Sabcap website.

ADDITIONAL INVESTEE ALIGNMENT

One or more of the Chairman, CEO, CFO and/or other directors of eight of Sabcap's investees are now also personally and directly shareholders of Sabcap. Three of the individuals each hold in excess of 1% of Sabcap shares in issue.

DIRECTORS' SHARE ENCUMBRANCES

None of the shares in Sabcap held by any of the Sabcap directors or any of their related parties, including SFT, are encumbered.

RELATED PARTIES

Related party transactions exist between subsidiaries and the holding company, fellow subsidiaries and investee companies, and comprise fees, dividends and interest.

Dividends received from investees during the period were R253,0m (31 Dec 2020: R107,2m). Amounts owed by investees at the end of the period, included in current assets, were Rnil (31 Dec 2020: R80,0m). Fees received from investees during the period were R1,5m (31 Dec 2020: R1,4m).

Transactions with directors relate to fees and monies lent to the Group by individuals and by companies and trusts associated with the directors.

DIVIDENDS

Interim and final dividends of 20 cents and 55 cents per share respectively have been declared for 2021 which represents a 200% increase relative to the COVID affected 2020 dividends of 25 cents (which had been the first reduction in dividends in 20 years) and a return to the 2019 dividend level. In addition, R66,0m was allocated to buybacks of Sabcap shares during the year at material discounts to NAV.

ACCOUNTING POLICIES

The audited preliminary consolidated summarised financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and comply with the minimum disclosure requirements of International Accounting Standard 34: Interim Financial Reporting Guides issued by the Accounting Practices Committee and Financial Pronouncements issued by the Financial Reporting Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

The accounting policies are in terms of IFRS and are consistent with those of the previous financial statements. The financial statements have been prepared on a historical cost basis, except for financial instruments and investments which are measured at fair value.

The significant accounting policies are available for inspection at the group's registered office. There has been no material change in judgements or estimates of the amounts reported in prior reporting periods. The preparation of these preliminary consolidated summarised financial statements were supervised by the Chief Financial Officer, R Pleaner CA (SA).

The announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34. The full annual financial statements of the group set out in these disclosures, the preparation of which was supervised by the CFO, are available on the issuer's website, at the issuer's registered offices and upon request.

AUDIT OPINION

The auditors, Deloitte & Touche, have issued an unmodified audit opinion that includes key audit matters on the consolidated financial statements for the year ended 31 December 2021. Their audit was conducted in accordance with the International Standard of Auditing. The audited preliminary consolidated summarised results presented have been derived from the audited consolidated financial statements for the year ended 31 December 2021. The auditors, Deloitte & Touche, have issued an unmodified opinion of the preliminary consolidated summarised financial information. The auditor's report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain full understanding of the nature of the auditor's work, they should obtain a copy of that report with the accompanying financial information from the registered office of the company. A copy of the full consolidated financial statements including the audit report and report on this preliminary consolidated summarised information are available for inspection at the company's registered office and on the company's website <http://www.sabvestcapital.com/pdf/2022/AFS-Dec21.pdf>

DIRECTORATE AND GOVERNANCE

Shareholders are advised that Mr Ray Pleaner will retire as an executive director of the Company and CFO of the Group with effect from 30 April 2022. He will, however, continue as a Group executive in a corporate finance related role for an agreed period.

Ray joined the Group in 1985 and was appointed a director in 1996. The Board is very appreciative of his services and dedication to the Group over this lengthy period and wishes him and his wife, Marcelle, many happy and healthy years ahead when he retires from the Group.

The Board is pleased to advise that Mr Kyle De Matteis (38) will be appointed a director of the Company and CFO of the Group with effect from 30 April 2022. Kyle is currently Deputy CFO having joined the Group in October 2020. He holds a Bachelor of Science degree and a Post Graduate Diploma in Accounting and is a CA(SA) and CFA. He was previously in various roles with Deloitte & Touche in RSA, New York and London, was head of credit at Merchant Capital and most recently was a senior financial manager at Brait. The Board welcomes Kyle to his new position.

KING IV™ COMPLIANCE

Sabvest's King IV™ compliance report is on the Sabcap website and in the Sabcap 2021 integrated report.

PROSPECTS

Sabcap is comfortable with the current performance and future prospects of its investees and of new investments in the pipeline. Accordingly, Sabcap expects continued satisfactory growth in the 2022 financial year.

References to future financial information in this announcement have not been reviewed or reported on by the Group's auditors.

For and on behalf of the Board

Kuben Pillay
Chairman

Sandton
16 March 2022

Christopher Seabrooke
CEO

Raymond Pleaner
CFO

CASH DIVIDEND DECLARATION

Notice is hereby given that a final dividend of 55 cents (2020: 15 cents) per ordinary share for the year ended 31 December 2021 has been declared out of income reserves making a total of 75 cents for the year (2020: 25 cents).

The issued share capital of the company at the declaration date is 39 550 000 ordinary shares. The income tax number of the company is 9660061186.

Withholding tax on dividends at a rate of 20% will be deducted for all shareholders who are not exempt in terms of the applicable legislation. This will result in a final net cash dividend of 44 cents per ordinary share to non-exempt shareholders.

Last date to trade “CUM” dividend	Tuesday, 5 April 2022
Trading “EX” dividend commences	Wednesday, 6 April 2022
Record date	Friday, 8 April 2022
Dividend payment date	Monday, 11 April 2022

No dematerialisation or rematerialisation of share certificates will be allowed during the period Wednesday, 6 April 2022 to Friday, 8 April 2022, both days inclusive.

Registered address:

4 Commerce Square, 39 Rivonia Road, Sandhurst, Sandton 2196

Communications:

Postal address: PO Box 78677, Sandton 2146, Republic of South Africa

Telephone: (011) 268 2400 • Fax: (011) 268 2422 • e-mail: ho@sabvest.com

Transfer secretaries:

Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107)

Directors:

K Pillay # (*Chairperson*), BJT Shongwe # (*Deputy Chairperson and Lead Independent Director*), CS Seabrooke * (*Chief Executive*),

O Ighodaro [#], L Mthimunya [#], R Pleaner ^{*}, L Rood ^{*} ^{*}Executive [#]Independent

Sponsor:

Rand Merchant Bank (A division of FirstRand Bank Limited), 1 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton 2196

Company Secretary:

Levitt Kirson Business Services (Pty) Ltd

www.sabvestcapital.com