



# SABVEST CAPITAL LIMITED

Incorporated in the Republic of South Africa

Registration number 2020/030059/06

“Sabcap” or “the Company”

**ISIN:** ZAE000283511

**JSE share code:** SBP

## SUMMARISED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2023

and cash dividend declaration

## 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 40,8% through its holding in the listed ordinary shares. During 2023, the Company repurchased and cancelled 330 000 ordinary shares previously held by its subsidiary, Sabvest Finance and Guarantee Corporation (Pty) Ltd. Accordingly, the number of shares in issue at year-end was 39 220 000 ordinary shares (31 Dec 2022: 39 400 000 ordinary shares net of treasury shares).

Sabcap has long-term interests in thirteen 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.

## CHANGES IN INVESTMENT HOLDINGS

During the reporting period the Company and its subsidiaries:

- ◆ increased the holding in Transaction Capital Limited (“TC”) by 1m shares to 6m shares, representing 0,8% of TC, for R9,6m;
- ◆ increased the holding in Corero Network Security Plc (“Corero”) by 1m shares to 51m shares, representing 10,0% of Corero, for GBP0,1m (R2,3m);
- ◆ increased the holding in Metrofile Holdings Limited (“Metrofile”) by 1m shares to 57m shares, representing 13,5% of Metrofile, for R2,7m;
- ◆ reorganised the effective interest of 18,50% in ARB by way of a series of transactions, which resulted in a reduction of the holding in Masimong Electrical Holdings (“MEH”) to 35,27% and the acquisition of a direct stake of 8,38% in ARB, investing a net amount of R50,8m, and enabling a reduction of bank debt in MEH;
- ◆ increased the loan funding in Masimong Beverage Holdings (“MBH”) by R35,2m to facilitate the repayment of all deal debt by MBH;
- ◆ increased the term debt by R200m to fund increased investment loans and a repayment of short-term bank debt;
- ◆ received R51m for the reduction in the holding in Masimong Group Holdings (Pty) Ltd (“Masimong”), from 10% to 9%, after a Masimong Group capital restructure which eliminated a class of bank-owned preference shares;
- ◆ acquired a 3,75% indirect holding in Versofy (Pty) Ltd (“Versofy”) through its 25,0% interest in a consortium which has purchased an initial 15% of Versofy, providing initial loan funding of R16,5m (the amount of which may vary as the deal terms are implemented), and which is presently held as a current asset at nominal value in a subsidiary while the Versofy solar business model and strategic alternatives are further developed with management and co-shareholders in the period ahead;
- ◆ entered into an agreement, subject to certain suspensive conditions, which will result in the interest in Sunspray Food Ingredients (Pty) Ltd reducing from 27,67% to 11,1% and being held directly through Sunspray Solutions (Pty) Ltd (and no longer through Famdeem Investments (Pty) Ltd), and which will result in an initial receipt of R80,6m in February 2024, subject to top-up adjustment provisions over three years;
- ◆ disposed of the equity interest in Classic Food Brands (Pty) Ltd for nominal value;
- ◆ reclassified the 16,5% equity interest in Altify UK Limited (previously Revix UK Limited) as held for sale and which is carried at nominal value as in previous periods;
- ◆ made an equity top-up of R3,4m in Valemount Trading (Pty) Ltd (“Valemount”) in terms of the purchase consideration top-up adjustment formula (with no change to Sabcap’s equity interest of 39,3%); and
- ◆ acquired 180 000 Sabcap shares through a shareholder approved buyback programme for R11,8m and cancelled 330 000 ordinary shares held as treasury shares.

Sabcap’s unlisted investees have concluded various transactions as follows:

- ◆ Apex increased its interest in DRA Global Limited to 22,1%;
- ◆ ARB acquired the minority interests in its Eurolux lighting division and acquired 67% of Cable Feeder Systems (Pty) Ltd;
- ◆ DNI:
  - increased its interest in Sim Holdco to 95%;
  - acquired 20% of Vagle and Associates (a security solutions provider), 45,6% of Sebenza Wi-Fi (an e-services connectivity platform for taxis and buses), and the business of Vocall (a sim card and mobile product distributor);
  - increased its interest in AtCommerce (property investment company) from 50% to 100%;
  - increased its shareholding in the Digital Ecosystems technology division from 61,9% to 68,4%; and
  - in its Digital Ecosystems technology division, increased its interests in PayMeNow to 71,5% and in Mobile Content International to 60,5%, acquired 47,2% of Paytime (an earned wage access technology solution provider in Australia), acquired a note convertible into a minimum of 7% of Neem (an early stage Bank-as-a-Service technology platform in Pakistan), and acquired 75% of Digitata Limited (a provider of intelligent pricing, subscriber engagement and mobile network management solutions);
- ◆ Masimong acquired a look-through interest of 20,6% in Chemfin (a manufacturer and distributor of enamels, plastics, coatings and resins, and importer/distributor of chemicals and ingredients), and through Seriti Green acquired a portfolio of renewable energy projects through the acquisition by Seriti of a controlling interest in Windlab;
- ◆ SA Bias, through Flowmax, acquired 100% of Rob Pond Limited, a distributor of fluid handling products and solutions in the UK and increased its shareholding in Essco Controls Limited from 68,7% to 78,7%; and
- ◆ Valemount acquired the pet food and products business of Drover Investments.

Subsequent to the reporting date, the Company’s subsidiaries:

- ◆ received the R80,6m initial amount resulting from the Sunspray transaction; and
- ◆ prepaid the R70m term loan due 30 June 2025.

**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 2023 year-end was 17,2%, calculated without reinvesting dividends. The CAGR after reinvesting dividends was 18,5% (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	10 936	(0,7)	13,7	13,3	16,6	17,2

The growth in share price itself over different periods is set out in the table below. The growth rate over one year was (7,9%) and the CAGR over 15 years was 18,0%.

	Cents	PERCENTAGE COMPOUND GROWTH *				
		1 year %	3 years %	5 years %	10 years %	15 years %
Market price per share	7 700	(7,9)	37,3	12,3	14,6	18,0

\* The one-year and three-year CAGRs are calculated using the Sabcap share price, with the remaining CAGRs calculated with reference to the weighted average share prices of the Sabvest ordinary and 'N' ordinary shares.

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

# Independent Auditor's Report on the Summary Financial Statements

## To the shareholders of Sabvest Capital Limited

### Opinion

The summary financial statements of Sabvest Capital Limited, set out on pages 4 to 11, which comprise the summary statement of financial position as at 31 December 2023, the summary statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Sabvest Capital Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in the accounting policies note to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Summary financial statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 19 March 2024. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

### Director's responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in the accounting policies note to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

*PricewaterhouseCoopers Inc.*

### **PricewaterhouseCoopers Inc.**

Director: P Pelcher

Registered Auditor

Johannesburg, South Africa

19 March 2024

\* A copy of the full consolidated financial statements including the audit report are available for inspection at the Company's registered office and on the Company's website

<http://www.sabvestcapital.com/pdf/2023/AFS-Dec23.pdf>

# Summarised Financial Statements

## Summarised Statement of Financial Position

as at 31 December 2023

Notes	Audited 31 Dec 2023 R'000	Audited *1 31 Dec 2022 R'000	Audited *1 31 Dec 2021 R'000
<b>Non-current assets</b>	<b>4 291 726</b>	4 342 979	3 706 542
Investment holdings	1 4 291 726	4 342 979	3 706 542
<b>Current assets</b>	<b>444</b>	407	44
Accounts receivable	403	367	-
Cash balances	41	40	44
<b>Total assets</b>	<b>4 292 170</b>	4 343 386	3 706 586
<b>Ordinary shareholders' equity</b>	<b>4 289 256</b>	4 340 869	3 704 327
<b>Current liabilities</b>	<b>2 914</b>	2 517	2 259
Accounts payable and provisions	2 914	2 517	2 259
<b>Total equity and liabilities</b>	<b>4 292 170</b>	4 343 386	3 706 586

## Summarised Statement of Comprehensive Income

for the year ended 31 December 2023

Notes	Audited 31 Dec 2023 R'000	Audited *1 31 Dec 2022 R'000
Dividends received	110 000	110 000
Interest received	3	1
Fair value adjustments to investments	2 (105 007)	577 958
<b>Gross income</b>	<b>4 996</b>	687 959
Less: Expenditure	(9 330)	(8 377)
<b>Net (loss)/income before taxation</b>	<b>(4 334)</b>	679 582
Taxation	(1)	(1)
<b>Total comprehensive (loss)/income attributable to equity shareholders</b>	<b>(4 335)</b>	679 581

\*1 Restated to align with the requirements for investment entities under IFRS 10 Consolidated Financial Statements (refer below).

## Summarised Statement of Cash Flows

for the year ended 31 December 2023

	Audited 31 Dec 2023 R'000	Audited *1 31 Dec 2022 R'000
<b>Cash flows utilised in operating activities</b>	<b>(44 421)</b>	(42 054)
Net (loss)/income for the year	(4 335)	679 581
Adjusted for non-cash items and interest paid	(4 631)	(688 066)
<b>Cash flows utilised in operations</b>	<b>(8 966)</b>	(8 485)
Taxation paid	(1)	(1)
Dividends paid – ordinary	(33 454)	(33 568)
<b>Cash flows from financing activities</b>	<b>44 422</b>	42 050
Loans from subsidiaries	44 422	42 050
Change in cash and cash equivalents	1	(4)
Cash balances at beginning of the reporting period	40	44
<b>Cash balances at end of the reporting period</b>	<b>41</b>	40

\*1 Restated to align with the requirements for investment entities under IFRS 10 Consolidated Financial Statements and to correctly disclose the classification of cash flows (refer below).

## Summarised Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital R'000	Accumulated profit R'000	Total R'000
<b>Balance as at 1 January 2022 *1</b>	1 348 116	2 356 211	3 704 327
Total comprehensive profit for the year	-	679 581	679 581
Shares held in treasury – written back	1 148	-	1 148
Shares held in treasury	(10 619)	-	(10 619)
Dividends paid	-	(33 568)	(33 568)
<b>Balance as at 1 January 2023 *1</b>	<b>1 338 645</b>	<b>3 002 224</b>	<b>4 340 869</b>
Total comprehensive loss for the year	-	(4 335)	(4 335)
Shares held in treasury – written back	10 619	-	10 619
Shares repurchased and cancelled	(22 443)	-	(22 443)
Dividends paid	-	(35 454)	(35 454)
<b>Balance as at 31 December 2023</b>	<b>1 326 821</b>	<b>2 962 435</b>	<b>4 289 256</b>

\*1 Restated to align with the requirements for investment entities under IFRS 10 Consolidated Financial Statements (refer below).

## Notes to the Summarised Financial Statements

for the year ended 31 December 2023

### RESTATEMENT

During the current reporting period, management has reassessed the investment entity status of the Company's subsidiaries based on the requirements as set out in IFRS 10. Based on this assessment, management has concluded that the Company's subsidiaries in fact satisfy the requirements as set out in IFRS 10 and were incorrectly consolidated in terms of IFRS 10 paragraph 32. As such, these subsidiaries have been reclassified as investment entities under IFRS 10 and the financial statements have been restated to cease consolidating these subsidiaries. The Company's investment in Sabvest (Pty) Ltd ("Sabvest") has since been measured at Fair Value Through Profit and Loss ("FVTPL") as opposed to the historical measurement at cost less accumulated impairment loss. Similarly, Sabvest's investments in Sabvest Finance and Guarantee Corporation (Pty) Ltd and Sabvest Investments (Pty) Ltd have been measured on the same basis. The restated net asset value ("NAV") is the same as the NAV of the previously consolidated group for the comparative periods, as the fair value of the investment entities remain unchanged.

Pursuant to Subcap accounting as an investment entity, the layouts of Subcap's statement of financial position, statement of comprehensive income and statement of cash flows were aligned to the disclosure requirements for investment entities under IFRS 10 and to the format presented by other investment entities. This results in fair value accounting now being reflected in the Company financial statements in the investments line as opposed to the previously presented consolidated statements that had some assets and liabilities separately disclosed. As a result of the restatement, no consolidated financial statements are presented.

The cash flow statement previously incorrectly reflected loans advanced to subsidiaries and non-cash dividends received processed through loan accounts as cash flows, with the loans repaid by subsidiaries erroneously not reflected as cash inflows on the face of the cash flow statement. The cash flow has been restated accordingly.

Details of investment holdings, other assets, all liabilities, income, expenses, taxation and movements in fair values of investments are contained in the notes to the Summarised Financial Statements.

# Notes to the Summarised Financial Statements *continued*

for the year ended 31 December 2023

## 1. Investment holdings

Investment holdings include the fair value of the Company's investment in Sabvest (Pty) Ltd and comprises mainly of the fair value of its investments, assets and liabilities held by its underlying subsidiaries, summarised as follows:

	Listed/ Unlisted	Sector * <sup>2</sup>	Number of ordinary shares/units	Economic interest * <sup>3</sup> %	2023 R'000	2022 R'000
<b>Investments *<sup>1</sup></b>					<b>4 971 569</b>	4 997 635
Altify (previously Revix UK)	U	FT		16,1	–	–
Apex Partners Holdings (Pty) Ltd	U	IS		45,3	<b>584 590</b>	504 023
ARB Holdings (Pty) Ltd	U	IS		18,5	<b>357 357</b>	250 256
Classic Food Brands (Pty) Ltd	U	IS		–	–	8 205
Corero Network Security Plc	L	FT	51 000 000	10,0	<b>99 039</b>	94 486
DNI-4PL Contracts (Pty) Ltd	U	FT		19,7	<b>990 446</b>	1 028 087
Flexo Line Products (Pty) Ltd	U	IS		47,5	<b>30 526</b>	7 033
Halewood International South Africa (Pty) Ltd	U	IS		19,0	<b>91 637</b>	165 586
ITL Holdings Group	U	IS		34,4	<b>499 147</b>	786 454
Masimong Group Holdings (Pty) Ltd	U	MCA		9,0	<b>475 805</b>	452 510
Metrofile Holdings Limited	L	IS	57 000 000	13,5	<b>171 000</b>	196 000
Rolfes Holdings (Pty) Ltd	U	MCA		24,7	<b>160 770</b>	189 289
SA Bias Industries (Pty) Ltd	U	IS		85,2	<b>1 269 671</b>	1 018 861
Sunspray Food Ingredients (Pty) Ltd * <sup>4</sup>	U	IS		27,7	<b>138 189</b>	86 624
Transaction Capital Limited	L	FT	6 000 000	0,8	<b>47 880</b>	165 500
Valemount Trading (Pty) Ltd	U	IS		39,3	<b>55 512</b>	44 721
Versofy (Pty) Ltd	U	IS		3,8	–	–
Interest-bearing borrowings					<b>(613 606)</b>	(507 394)
Deferred tax liability					<b>(147 249)</b>	(206 089)
Cash on hand					<b>41 943</b>	49 657
Other net assets					<b>39 069</b>	9 170
					<b>4 291 726</b>	<b>4 342 979</b>

\*<sup>1</sup> Refer to investments section for more detail.

\*<sup>2</sup> IS – Industrial and Services; MCA – Mining, Chemicals and Agriculture; FT – Specialised Financial and Technology.

\*<sup>3</sup> Represents the economic interest at 31 December 2023. Refer to the investments section for details of any changes during the year.

\*<sup>4</sup> Includes the 16,6% interest held-for-sale. Refer to the investments section.

## 2. Fair value adjustments to investments

The fair value adjustment to investments predominantly comprises income and expenses in the subsidiaries as follows:

	2023 R'000	2022 R'000
Dividends received	<b>175 933</b>	227 795
Interest income	<b>10 567</b>	11 288
Foreign exchange gain	<b>82 796</b>	40 797
Fees	<b>2 942</b>	1 599
Fair value adjustments to investments	<b>(212 511)</b>	488 555
– Listed	<b>(167 337)</b>	(119 991)
– Unlisted	<b>(45 174)</b>	608 546
Transactional costs	<b>(6 160)</b>	(12 697)
Interest expense	<b>(66 746)</b>	(26 360)
Operating costs – fixed	<b>(32 569)</b>	(33 207)
Operating costs – variable	<b>(6 282)</b>	(39 578)
Depreciation	<b>(1 631)</b>	(1 731)
Deferred taxation	<b>58 840</b>	33 200
Dividends paid	<b>(110 000)</b>	(110 000)
Other	<b>(186)</b>	(1 703)
	<b>(105 007)</b>	577 958

## FINANCIAL RESULTS

High inflation, logistical challenges, high raw material prices and higher interest rates continued to provide a challenging environment for the group's investees to operate in. Apex, ARB, Masimong, SA Bias and Sunspray performed well. Results at Corero, DNI, Flexo, Metrofile, Rolfes and Valemout were satisfactory. Halewood's results were weak in difficult trading conditions in RSA. ITL's results were much poorer than expected due to soft northern hemisphere retail demand, product mix and margin changes from trading down and destocking, and sourcing moving to higher cost locations due to geo-political pressures. The market value of the shares held in TC fell considerably after incurring substantial losses in SA Taxi due to materially higher provisions required and a complete restructure of its business model initiated. Altify and Versofy as start-ups are carried at zero. Classic Food Brands was sold at nominal value.

These conditions have resulted in a slight decrease in NAV per share to 10 936 cents per share, being a 0,7% decrease from NAV per share of 11 017 at the 2022 year-end reporting date. Although a small decrease, it is the first reduction in NAV per share in a single reporting period for over twenty years. Notwithstanding, the growth metrics table shows the growth rates over periods from 3 to 15 years being 13,7% at 3 years to 17,2 % to 15 years compounded, and 18,5% with dividends reinvested.

HEPS and EPS decreased to a loss of 11,0 cents per share respectively, being a decrease of 100,6% over the restated HEPS and EPS in the 2022 financial year.

Overheads, mainly included as part of the fair value movement in the Company's subsidiaries, reduced in the reporting period largely due to lower incentive provisions expected in the current financial year. Interest payable increased due to higher interest rates and levels of borrowing.

Final DPS was maintained at 60 cents per share, resulting in the interim and final dividends totalling 90 cents per share, remaining constant with the prior year. Share buybacks were R11,8m during the period (31 Dec 2022: R9,5m).

Shareholder funds remained largely unchanged at R4,3bn at the reporting date. Net debt, largely included in the fair value of investments in the Company's subsidiaries, increased to R572m arising mostly from increased loan funding to MBH, which funding was utilised for the settlement of all acquisition bridging debt in MBH, a restructure of interests in MEH and ARB and a reduction in MEH acquisition bridging debt, top-up purchase consideration for Valemout, the purchase of Versofy and a small increase in shareholding in TC. Net debt remains conservative and with a well spread maturity ladder. In addition, there are some investment disposals in progress, the proceeds of which are likely to be applied to an early settling of some of the term debt. Utilisation under transactional guarantees for investees in the Company's subsidiaries was R80m at the 31 December reporting date (31 Dec 2022: R80m).

## OTHER INFORMATION

as at 31 December 2023

	% change	<b>Audited 31 Dec 2023</b>	Audited 31 Dec 2022
Net asset value per share – cents	(0,7)	<b>10 936</b>	11 017
(Loss)/earnings and headline (loss)/earnings per share – cents * <sup>1</sup>	(100,6)	<b>(11,0)</b>	1 721,7
Dividends per share – cents	–	<b>90</b>	90
Shareholders' funds – R'm	(1,2)	<b>4 289,3</b>	4 340,9
Number of shares in issue less held in treasury – 000's		<b>39 220</b>	39 400
Weighted average number of shares in issue – 000's		<b>39 354</b>	39 472

\*<sup>1</sup> 2022 restated to align with the requirements for investment entities under IFRS 10 Consolidated Financial Statements (refer to restatement note). There are no diluting instruments.

## VALUATION OF INVESTMENTS

The Company's subsidiary companies are fair valued based on NAV. The underlying investments and other assets and liabilities have been fair valued as below.

Listed investments are based on 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.

With the exception of the multiple applied to Narrowtex, the multiples used are unchanged relative to the prior year.

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 18,5241 (31 Dec 2022: 16,9807). 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 continued to perform satisfactorily in the 2023 financial year.

Corero's relationship with Juniper Networks continues to gain traction and facilitate higher volumes and revenues. It has also announced a new partnership with Akamai Technologies which is expected to enhance growth materially.

Corero's share price decreased to 8,25p (31 Dec 2022: 9,25p) in volatile small volume trade once again. The shareholding increased from 50m to 51m shares during the period for GBP0,1m (R2,3m), which is an interest of 10,0%.

Valuation summary:	2023	2022
Number of ordinary shares	51 000 000	50 000 000
Price per share – GBP	8,25	9,25
Fair value – GBP'000	4 203	4 625
Fair value – R'000	99 039	94 486

- ◆ **METROFILE** is a JSE-listed service provider to industry in four categories – secure storage, digital services, business support services and products and solutions. Metrofile achieved satisfactory results for FY23 in the continued challenging economic environment, although its 2024 interim results were disappointing. Metrofile's share price decreased to 300 cents (31 Dec 2022: 350 cents) and the shareholding increased slightly to 57,0m shares (31 Dec 2022: 56,0m shares) during the period for R2,7m, which is an interest of 13,5%.

Valuation summary:	2023	2022
Number of ordinary shares	57 000 000	50 000 000
Price per share – cents	300	350
Fair value – R'000	171 000	196 000

Dividend summary:	2023	2022
Ordinary dividends received during the period – R'000	10 080	9 990

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

Nutun and WBC continue to trade strongly. However, the large losses at SA Taxi and the ongoing debt restructure process caused a material drop in TC's share price to 798 cents (31 Dec 2022: 3 310 cents).

The shareholding increased from 5m to 6m shares during the period for R9,6m, which is an interest of 0,8%.

TC has announced an unbundling of WBC after various capital raising actions, which, if concluded, will result in the Company's subsidiary having a direct holding in WBC.

Valuation summary:	2023	2022
Number of ordinary shares	6 000 000	5 000 000
Price per share – cents	798	3 310
Fair value – R'000	47 880	165 500

Dividend summary:	2023	2022
Ordinary dividends received during the period – R'000	–	3 500

## UNLISTED INVESTMENTS

- ◆ **ALTIFY (PREVIOUSLY REVIX UK)** offers an investment platform that enables investors to obtain direct ownership of individual crypto currencies, ready-made crypto portfolios called “bundles” and crypto-based yield-bearing opportunities. Revix is also making good progress in its new B2B division.

In November 2023, Revix merged with Austria's Coinpanion and fellow South African crypto investment platform BitFund, to form a first-of-its-kind alternative investment platform called Altify. Their partnership positions Altify across both Europe and Africa with the necessary regulatory licences, an established customer base and a market-leading investment app and web platform. Altify went live on 1 December 2023.

With regard to funding, the Company's subsidiary did not follow the last two rounds and its interests were diluted accordingly. During the period and prior to the merger, an Advanced Subscription Agreement (ASA) was entered into with Revix for an additional equity investment. Following the merger and after accounting for the ASA and the conversion thereof, the Company's subsidiary's shareholding is at 16,1% at the reporting date (2022: 11,0%), which will reduce to 10,1% in the upcoming year following the allotment of shares as a result of the merger.

The valuation of Altify as continues to be stated at zero after a full impairment provision. This will be reassessed once the company becomes cash positive and profitable. Participation in any additional capital raises is unlikely and the decision has been made to classify Altify as an asset held-for-sale as management explore suitable exit strategies.

Valuation summary:	2023	2022
Basis of valuation	NAV	NAV
16,1% equity interest (2022: 11,0%) – R'000	–	–



- ◆ **APEX PARTNERS** is an investment holding company, investing permanent capital into distribution and engineering businesses. The distribution segment includes ELB Equipment, Letaba Pumps, TGS, Elephant Lifting. The engineering and construction segment includes ETX Projects and CBZ Solutions. It also holds 22,1% in DRA Global.

The strategy of building a sound cash generative industrial group is being well implemented.

Sabcap's economic interest in Apex increased during the period to 45,3% (31 Dec 2022: 44,8%) as a result of a buyback of shares.

<b>Valuation summary:</b>	<b>2023</b>	2022
EBITDA valuation multiple	<b>5,5x</b>	5,5x
45,3% equity interest (2022: 44,8%) – R'000	<b>584 590</b>	504 023

<b>Dividend summary:</b>	<b>2023</b>	2022
Ordinary dividends received during the period – R'000	<b>27 178</b>	17 931

- ◆ **ARB HOLDINGS** ("ARB") is distributor of electrical, lighting and related products to the mining, industrial, construction, parastatal, retail and domestic markets in Southern Africa. ARB Electrical Wholesalers is one of Southern Africa's largest distributors of electrical projects in three main categories: power and instrumentation cable; overhead line equipment and conductors; and general low-voltage and solar products. Eurolux and Radiant are leading distributors of energy-saving; LED; halogen and fluorescent lamps; light fittings, electrical accessories; cut cable and ancillary products, including fans and lighting components. It has also acquired a 67% interest in Cable Feeder Systems.

It should be noted that the fair value presented in the Company's interim results was positively affected by the very high volumes of domestic solar demand which did not continue in the second half of the year.

The effective interest of 18,50% in ARB was reorganised by way of a series of transactions, which resulted in a reduction of the holding in MEH to 35,27% (2022: 49,90%) and the acquisition of a direct stake of 8,38% in ARB, investing a net amount of R50,8m, and enabling a reduction of bank debt in MEH. MEH owns 28,69% of ARB (2022: 37,07%).

<b>Valuation summary:</b>	<b>2023</b>	2022
EBITDA valuation multiple	<b>6,5x</b>	6,5x
18,5% equity interest – R'000	<b>228 065</b>	13 930
Investment loans – R'000	<b>129 292</b>	236 326
Total – R'000	<b>357 357</b>	250 256

<b>Dividend summary:</b>	<b>2023</b>	2022
Ordinary dividends received during the period – R'000	<b>5 188</b>	–

- ◆ **CLASSIC FOOD BRANDS** ("CFB") is a food manufacturer specialising in crumbed chicken products distributed mostly through major supermarket and food chains in South Africa.

The 40% shareholding was disposed of during the period for nominal value.

<b>Valuation summary:</b>	<b>2023</b>	2022
Basis of valuation	<b>N/A</b>	NAV
Nil equity interest (2022: 40%) – R'000	–	–
Investment loans – R'000	–	8 205
Total – R'000	–	8 205

- ◆ **DNI** is a leading distribution and technology company operating in emerging market economies, but mostly in South Africa at present. The DNI Group provides and distributes products and services to the telecommunications, banking and retail sectors. The group has four main operating segments, being Mobile distribution, Hardware distribution, Technology, and Value-added services.

The DNI group has different brands with which it markets its products and services on a B2B/B2B2C basis. These include The Starter Pack Company, Evercomm, 3G Mobile, Digital Ecosystems, Hyve Mobile, Airvantage, Via Media, PayMeNow, M4Jam, Cellfind, Panacea Mobile, Worldwide Advisory Services and Sebenza Wi-Fi.

DNI continues to perform well, particularly in its Digico operations. Its traditional businesses were affected by softer demand in the telecoms industry with a temporary negative affect on profit growth. However, it continues to be highly cash generative and maintained dividend levels.

Following some restructuring in the DNI group during the period, the effective interest decreased to 19,65% (2022:19,99%), held through 35,98% of JAAH Investments (2022: 35,98%), which indirectly owns 45,35% of DNI (2022: 46,12%) through DNI Invest (Pty) Ltd and a 3,34% interest in DN Invest (Pty) Ltd (2022: 3,40%), which owns 100% of DNI.

<b>Valuation summary:</b>	<b>2023</b>	2022
EBITDA valuation multiple	<b>6,5x</b>	6,5x
19,7% equity interest (2022: 19,9%) – R'000	<b>990 446</b>	1 028 087

<b>Dividend summary:</b>	<b>2023</b>	2022
Ordinary dividends received during the period – R'000	<b>64 178</b>	52 213
Special dividends received during the period – R'000	–	50 188
Total – R'000	<b>64 178</b>	102 401

- ◆ **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.

Trading conditions were difficult in Q1 to Q3 of 2023, with revenues and profitability adversely affected by decreased household demand after the pandemic, logistical issues and the impact of load shedding on production. Q4 trading improved significantly, assisted by increased demand and greater customer and product diversification, and this is expected to continue into 2024. Its new patented tamper proof spice grinders and its new bottling operations will enhance volumes and margins in the period ahead.

Valuation summary:	2023	2022
EBITDA valuation multiple	4,5x	4,5x
47,5% equity interest – R'000	–	–
Investment loans – R'000	30 526	7 033
Total – R'000	30 526	7 033

- ◆ **HALEWOOD SOUTH AFRICA** (“Halewood”) is a manufacturer of a wide range of premium award-winning alcoholic, non-alcoholic and RTD (Ready-To-Drink) beverages including brands such as Belgravia, Whitley Neill, Red Square, Caribbean Twist and Buffelsfontein. It is also an importer of finished goods brands from the UK, France, Italy and Mexico. It was established in 1999.

The effective interest of 18,95% is held through 41,03% of MBH, which in turn holds 46,19% of Halewood through an SPV.

Revenues and profitably for the financial year ended June 2023 were adversely affected by macroeconomic factors in RSA and by changed product mix demand due to the cyclical nature of the liquor industry. Halewood is budgeting for improved performance in FY24.

Shareholder funding in MBH was increased during the period to facilitate the repayment of deal bank loans in MBH.

Valuation summary:	2023	2022
EBITDA valuation multiple	7,25x	7,25x
19,0% equity interest – R'000	–	–
Investment loans – R'000	91 637	165 586
Total – R'000	91 637	165 586

- ◆ **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, Mauritius, Madagascar and South Africa for supply to the clothing industry worldwide through multiple international retail chain accreditations.

A number of variables have had a significantly negative affect on trading in 2023. In particular, the COVID lockdown was only lifted 12 months ago in China and disruptions to the supply chain continued until June, with geo-political factors having led to northern hemisphere retail chain buying moving from China to ITL factories in other territories where efficiencies and margins are lower. Retailers have also been overstocked and facing softer consumer demand and therefore buying lower volumes until the system clears.

Changing demand patterns, new customer wins and materially increased RFID demand are expected to result in higher and normal revenues and profit levels during 2024. ITL remains well positioned strategically, geographically and operationally relative to its competitors.

Valuation summary:	2023	2022
EBITDA valuation multiple	9,0x	9,0x
34,4% equity interest – R'000	–	167 600
Investment loans – R'000	499 147	618 854
Total – R'000	499 147	786 454

\* 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.

- ◆ **MASIMONG GROUP HOLDINGS** is an investment group with a portfolio of high performing growth assets and, in particular, its mining interests in Seriti Coal, 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 diversified interests including Rolfes, ARB, Halewood South Africa, Anchor Capital and Chemfin. Most of Masimong’s holdings performed well during the period, particularly its Seriti interests.

Equity interest decreased during the current year following a restructure within the Masimong Group which included the settlement of the participating preference shares and a share issue and repurchase which included the repurchase of 1% from Sabvest Investments (Pty) Ltd.

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.

Valuation summary:	2023	2022
Basis of valuation	NAV	NAV
9,0% equity interest (2022: 10,0%) – R'000	475 805	452 510

Dividend summary:	2023	2022
Ordinary dividends received during the period – R'000	–	10 920

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

Trading in 2023 was challenging, mainly due to the substantial drop in many commodity prices and the effect on margins. Profitability was accordingly lower than in the prior record year but Rolfes is budgeted to achieve higher profitability in the next financial year.

Effective interest decreased to 24,7% during the period (31 Dec 2022: 25,0%) as a result of shares issued to management. 10,8% (31 Dec 2022: 11,0%) is held directly and 13,9% (31 Dec 2022: 14,0%) is held indirectly through Masimong Chemicals (Pty) Ltd.

<b>Valuation summary:</b>	<b>2023</b>	2022
EBITDA valuation multiple	<b>5,5x</b>	5,5x
24,7% equity interest (2022: 25,0%) – R'000	<b>160 770</b>	189 289

<b>Dividend summary:</b>	<b>2023</b>	2022
Ordinary dividends received during the period – R'000	<b>30 094</b>	18 008

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

- Flowmax is a group of 16 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 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.

SA Bias traded well in both divisions with higher than expected growth in profitability. It has a very liquid balance sheet, with most surplus funds held in US Dollars and sterling, and is well positioned for continued acquisitions, particularly in the UK and Europe.

The EBITDA valuation multiple for Narrowtex has been increased from 4,5 times back to 5 times now that the contribution to the results from its Apparel Component Manufacturers unit is negligible, with the valuation multiple for Flowmax remaining unchanged.

<b>Valuation summary:</b>	<b>2023</b>	2022
EBITDA valuation multiples *	<b>6,0x / 5,0x</b>	6,0x / 4,5x
85,2% equity interest – R'000	<b>1 269 671</b>	1 018 861

\* Flowmax is valued at 6,0 times and Narrowtex at 5 times (2022: 4,5 times).

<b>Dividend summary:</b>	<b>2023</b>	2022
Ordinary dividends received during the period – R'000	<b>39 215</b>	35 805
Special dividends received during the period – R'000	–	8 525
Total – R'000	<b>39 215</b>	44 330

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

The Company's subsidiary entered into an agreement, subject to certain suspensive conditions, which will result in the interest in Sunspray Food Ingredients (Pty) Ltd reducing from 27,67% to 11,1% and being held directly through Sunspray Solutions (Pty) Ltd (and no longer through Famdeem Investments (Pty) Ltd). The value of the remaining 11,1% has been determined based on the rights and formula in the new shareholders agreement (recent transaction pricing – RTP). An amount of R80,6m relating to the 15,6% sold is a current asset in Sabvest Finance and Guarantee Corporation (Pty) Ltd at 31 December 2023 and has been received subsequent to the year-end.

<b>Valuation summary:</b>	<b>2023</b>	2022
Basis of valuation / EBITDA valuation multiple	<b>RTP</b>	5,0x
11,1% equity interest (2022: 27,7%) – R'000	<b>57 558</b>	32 424
16,6% equity interest held-for-sale – R'000	<b>74 235</b>	48 491
Investment loans held-for-sale – R'000	<b>6 396</b>	5 709
Total – R'000	<b>138 189</b>	86 624

<b>Dividend summary:</b>	<b>2023</b>	2022
Ordinary dividends received during the period – R'000	–	8 215

- ◆ **VALEMOUNT TRADING** is a pet food and product manufacturer and supplier to leading retail chains, specialist pet stores and major co-ops in South Africa. In particular through its Westerman and Animal Zone brands, Valemount is the largest manufacturer and distributor of bird seed and related feeder products in the country. The expansion of its range of products supplied to the wider pet market is supported by its international partners, M-PETS, Beeztees and Pet Rebels. Its distribution centres also provide outsourced logistical services to numerous independent pet product suppliers.

A number of acquisitions are being considered to augment Valemount's existing strong organic growth and to widen its product range. Valemount performed satisfactorily during the period.

The initial purchase consideration was adjusted during the period relative to a top-up formula, calculated based on 28 February 2023 audited financial statements. Commitment has also been made to increase its Rand investment to facilitate expansion and acquisitions.

<b>Valuation summary:</b>	<b>2023</b>	2022
EBITDA valuation multiple/Basis of valuation	<b>6,0x</b>	COST
39,3% equity interest – R'000	<b>30 512</b>	19 548
Investment loans – R'000	<b>25 000</b>	25 173
Total – R'000	<b>55 512</b>	44 721

- ◆ **VERSOFY** is one of the largest home and SME solar installation and power solutions groups in South Africa, offering Solar as a Service ("SAAS") and rent to buy ("RTB") solutions. (Versofy was acquired in December 2023).

Acquired a 3,75% indirect holding in Versofy (Pty) Ltd, through its 25,0% interest in a consortium which has purchased an initial 15% of Versofy and provided initial funding of R16,6m, which may vary as the deal terms are implemented. It is carried as a current asset at nil value due to the early stage of the business plan of the entity and various alternative strategies and funding structures that are likely to follow in the coming financial year.

<b>Valuation summary:</b>	<b>2023</b>	2022
Basis of valuation	<b>NAV</b>	–
3,8% equity interest – R'000	–	–
Investment loans – R'000	–	–
Total – R'000	–	–

## 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.

## 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. Refer to the Directors' Report in the Annual Financial Statements for more detail on the shares held by Sabcap directors.

## RELATED PARTIES

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

Dividends and fees received from investees during the period by the Company's subsidiaries were R175,9m (31 Dec 2022: R227,8m) and R1,6m (31 Dec 2022: R1,7m) respectively. Amounts owed by investees at the end of the period, included in the fair value of investments (as part of other net assets), were R46,0m (31 Dec 2022: R36,6).

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

## DIVIDENDS

Dividends of 90 cents per share have been declared, being a 30 cent interim dividend and a 60 cent final dividend, maintaining the 90 cents per share declared in the prior year. In addition, R11,6m (31 Dec 2022: R9,5m) was allocated to buybacks of Sabcap shares during the period.

## ACCOUNTING POLICIES

The 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 the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and comply with the minimum disclosure requirements of International Accounting Standard 34: Interim Financial Reporting Guides issued by the Accounting Practices Committee and 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 Company'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 summarised financial statements was supervised by the Chief Financial Officer, K De Mattei CA(SA).

The summarised financial statements do not include the information required pursuant to paragraph 16A(j) of IAS 34. The full annual financial statements of the Company 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.

## CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2023, the Company's subsidiaries had the following contingent liabilities and commitments:

- ◆ Rights and obligations in terms of shareholder or purchase and sale agreements relating to its present and former investments.
- ◆ A Company subsidiary has given guarantees on behalf of certain investees in the ordinary course of business for deal and operational credit in amounts totaling R80m (31 Dec 2022: R140m) and which were utilised at the reporting date in the amount of R80m (31 Dec 2022: R40m).

## **DIRECTORATE AND GOVERNANCE**

Mr K Pillay, Mr L Rood and Mr B Shongwe will retire at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

The Board continues to comprise four independent non-executive directors (INEDs) and three executive directors. The Board has five committees and each INED chairs at least one committee.

## **KING IV™ COMPLIANCE**

Sabvest's King IV™ compliance report is on the Sabcap website and in the Sabcap 2023 Integrated Report.

## **PROSPECTS**

Sabcap is comfortable with the growth prospects of all its unlisted long term investments although the timing of the recovery at ITL may be longer in the RSA operations than internationally and at a higher cost. The values of its three listed investments are determined by their share prices. The trading results of Corero and Metrofile are expected to be satisfactory but the timing and extent of recovery at TC remain uncertain although good progress is being achieved.

Sabcap expects to resume satisfactory growth in NAV per share in 2024.

Management regards Sabcap as fully invested at the present time but continues to consider acquisitions and investment opportunities in its investees.

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

19 March 2024

**Christopher Seabrooke**

*CEO*

**Kyle De Matteis**

*CFO*

## CASH DIVIDEND DECLARATION

Notice is hereby given that a final dividend of 60 cents (2022: 60 cents) per ordinary share for the year ended 31 December 2023 has been declared out of income reserves making a total of 90 cents for the year (2022: 90 cents).

The issued share capital of the Company at the declaration date is 39 220 000 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 48 cents per ordinary share to non-exempt shareholders.

Last date to trade "CUM" dividend	Tuesday, 16 April 2024
Trading "EX" dividend commences	Wednesday, 17 April 2024
Record date	Friday, 19 April 2024
Dividend payment date	Monday, 22 April 2024

No dematerialisation or rematerialisation of share certificates will be allowed during the period Wednesday, 17 April 2024 to Friday, 19 April 2024, 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*), O Ighodaro # (*Lead Independent Director*), CS Seabrooke \* (*Chief Executive*), BJT Shongwe #, L Mthimunye #,  
K De Matteis \*, 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](http://www.sabvestcapital.com)