



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

UNAUDITED INTERIM RESULTS

for the period ended 30 June 2021

and cash dividend declaration

Consolidated Summarised Statement of Financial Position

as at 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000	Audited 31 Dec 2020 R'000
Non-current assets	3 615 509	2 939 956	3 364 619
Property, plant and equipment	2 856	3 193	2 990
Right of use asset	3 787	3 963	4 210
Investment holdings	3 608 866	2 932 800	3 357 419
Unlisted investments	3 069 296	2 572 767	2 895 853
Listed investments	539 570	360 033	461 566
Current assets	204 566	255 850	281 136
Finance advances and receivables	56 585	131 880	134 649
Investment funds offshore	63 567	–	56 295
Investments held-for-sale	–	68 377	86 341
Cash balances	84 414	55 593	3 851
Total assets	3 820 075	3 195 806	3 645 755
Ordinary shareholders' equity	3 311 769	2 749 580	3 048 991
Non-current liabilities	463 661	376 153	509 306
Interest-bearing debt	240 000	290 000	330 000
Provision	4 109	2 368	4 983
Deferred tax liabilities	219 552	83 785	174 323
Current liabilities	44 645	70 073	87 458
Interest-bearing debt	17 395	39 975	39 610
Portfolio finance offshore	8 981	–	–
Current portion of non-current interest-bearing debt	–	10 000	10 000
Interest-bearing debt	8 414	29 975	29 610
Accounts payable and provisions	27 250	30 098	47 848
Total equity and liabilities	3 820 075	3 195 806	3 645 755

Consolidated Summarised Statement of Changes in Equity

for the six months ended 30 June 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 period	–	(19 018)	320 591	301 573
Shares held in treasury – written back	1 204	–	–	1 204
Shares held in treasury	(33 933)	–	–	(33 933)
Dividends paid	–	–	(6 066)	(6 066)
Balance as at 30 June 2021	1 394 136	(1 293 391)	3 211 024	3 311 769

Contingent Liabilities

as at 30 June 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 totalling R75m (31 Dec 2020: R75m) and which were utilised at reporting date in the amount of R43m (31 Dec 2020: R50m). Subsequent to the reporting date the guarantee has been released and cancelled.
- 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 2021/2022.

Consolidated Summarised Statement of Comprehensive Income

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000	Audited 31 Dec 2020 R'000
Gross income/(loss) from operations and investments	410 932	(107 937)	492 075
Dividends received	177 745	52 394	107 226
Interest received	13 150	9 608	18 834
Foreign exchange (loss)/gain	(233)	(6 827)	6 525
Loss on sale of financial assets *1	–	(7 264)	(7 118)
Fees and sundry income	927	890	1 771
Fair value adjustment to investments	219 343	(156 738)	364 837
– Listed	138 757	(48 414)	63 727
– Unlisted	80 586	(108 324)	301 110
Transactional costs	(864)	(8 316)	(12 785)
Fair value loss on initial recognition of interest-free loans	–	(579)	(688)
Interest paid	(10 908)	(15 491)	(27 667)
Net income/(loss) before expenses and exceptional items	399 160	(132 323)	450 935
Less: Expenditure	(33 340)	(17 721)	(56 404)
Net income/(loss) before taxation	365 820	(150 044)	394 531
Taxation – deferred	(45 229)	(10 808)	(101 347)
Net income/(loss) for the period attributable to equity shareholders	320 591	(160 852)	293 184
Translation of foreign subsidiary *2	(19 018)	174 620	44 840
Total comprehensive income/(loss) attributable to equity shareholders	301 573	13 768	338 024

*1 In the current period, losses/gains on sales of financial instruments and shares have been included in fair value adjustments to comply with IFRS and not separately disclosed as done in prior periods.

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

Consolidated Summarised Statement of Cash Flows

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Restated* Unaudited 30 June 2020 R'000	Audited 31 Dec 2020 R'000
Cash generated by/(utilised in) by operating activities	119 515	(22 727)	12 932
Net income/(loss) for the period	320 545	(160 852)	293 184
Adjusted for non-cash items	(184 056)	170 259	(232 397)
Cash flows from operations	136 489	9 407	60 787
Cash interest paid	(10 908)	(15 491)	(27 667)
Dividends paid – ordinary	(6 066)	(16 088)	(20 188)
Cash flows from/(utilised in) investing activities	106 229	94 498	(14 963)
Purchase of property, plant and equipment	(340)	(54)	(303)
Purchase of investment holdings and offshore portfolio	(316 588)	(42 503)	(188 952)
Proceeds from sale of investment holdings and offshore portfolio/repayment of investment loans	344 536	144 341	183 852
Decrease/(increase) in finance advances and receivables	78 621	(7 286)	(9 560)
Cash effects of financing activities	(145 181)	(19 858)	2 757
(Decrease)/increase in long-term loans	(100 000)	–	40 000
Increase/(decrease) in offshore portfolio finance	8 981	(35 476)	(35 476)
Increase/(decrease) in cash offshore	–	2 920	2 920
(Decrease)/increase in interest-bearing debt	(21 196)	13 253	12 888
Repurchase of company shares	(32 729)	–	(16 510)
Repayment of principal portion of lease liability	(237)	(555)	(1 065)
Change in cash and cash equivalents	80 563	52 468	726
Cash balances, less current interest-bearing debt excluding portfolio finance, at beginning of period	3 851	3 125	3 125
Cash balances, less RSA interest-bearing debt, at end of period	84 414	55 593	3 851

* Prior period re-represented for enhanced disclosure by reclassifying the repayment of the principal portion of the lease from operating activities to financing activities.

Other Information

as at 30 June 2021

	% increase 30 June 2021 compared to 31 December 2020	% increase 30 June 2021 compared to 30 June 2020	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000	Audited 31 Dec 2020 R'000
Net asset value per share – cents	10,7	24,4	8 240	6 624	7 444
Shareholders' funds – R'm	8,6	20,4	3 311,8	2 749,6	3 049,0
Gross assets – R'm	4,8	19,5	3 820,1	3 195,8	3 645,8
Dividends per share – cents		100,0	20	10	25
Profit/(loss) after taxation – R'm		> 100,0	320,6	(160,9)	293,2
Headline earnings/(loss) per share – cents *		> 100,0	793,2	(387,4)	708,5
Earnings/(loss) per share – cents		> 100,0	793,2	(387,5)	708,4
Number of shares in issue less held in treasury – 000's			40 190	41 508	41 387
Weighted average number of shares in issue – 000's			40 418	41 508	41 387
Reconciliation of headline earnings/(loss) (R'000)					
Net income/(loss) for the period			320 591	(160 852)	293 184
Loss on sale of property, plant and equipment			–	44	48
Headline earnings/(loss) for the period			320 591	(160 808)	293 232

* There are no diluting instruments.

Investment Holdings

as at 30 June 2021

	Number of Ordinary shares/units	Economic interest %	Fair value R'000
Unlisted Investments			
Apex Partners Holdings (Pty) Ltd		44,8	240 854
Classic Food Brands (Pty) Ltd		25,0	7 730
DNI-4PL Contracts (Pty) Ltd * ¹		19,1	864 631
Flexo Line Products (Pty) Ltd		47,5	104 525
ITL Holdings Group * ²		34,0	588 003
Masimong Group Holdings (Pty) Ltd		10,0	213 493
Revix Group		15,5	–
Rolfes Holdings (Pty) Ltd * ³		25,1	172 988
SA Bias Industries (Pty) Ltd * ⁴		85,1	801 229
Sunspray Food Ingredients (Pty) Ltd * ⁵		27,7	75 843
			3 069 296
Listed Investments			
Corero Network Security Plc	36 250 000	7,3	75 850
Metrofile Holdings Limited	51 000 000	11,8	161 160
Transaction Capital Limited	8 000 000	1,1	302 560
			539 570
Non-current investment holdings			
			3 608 866
Current investments			
Capital Group New Perspective Fund (LUX – Equity)	12 500		63 567
Total current investments			
			63 567
TOTAL HOLDINGS			
			3 672 433

*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 30 June 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	240 854
Classic Food Brands (Pty) Ltd	U		25,0	7 730
DNI-4PL Contracts (Pty) Ltd	U		19,1	864 631
Flexo Line Products (Pty) Ltd	U		47,5	104 525
ITL Holdings Group	U		34,0	588 003
Metrofile Holdings Limited	L	51 000 000	11,8	161 160
Rolfes Holdings (Pty) Ltd	U		25,1	172 988
SA Bias Industries (Pty) Ltd	U		85,1	801 229
Sunspray Food Ingredients (Pty) Ltd	U		27,7	75 843
				3 016 963
Mining and Agriculture				
Masimong Group Holdings (Pty) Ltd	U		10,0	213 493
				213 493
Specialised Financial and Technology				
Corero Network Security Plc	L	36 250 000	7,3	75 850
Revix Group	U		15,5	–
Transaction Capital Limited	L	8 000 000	1,1	302 560
				378 410
Non-current investment holdings				
				3 608 866
Current investments				
Capital Group New Perspective Fund (LUX – Equity)	L	12 500		63 567
				63 567
TOTAL HOLDINGS				
				3 672 433

PROFILE PURSUANT TO SABCAP LISTING

Sabvest Capital Limited (Sabcap) was listed on the JSE on 13 May 2020 when it acquired 100% of the ordinary and N ordinary shares of Sabvest Limited (Sabvest), an investment group which had been listed on the JSE since 1988, in exchange for Sabcap ordinary shares. The Seabrooke Family Trust (SFT) controls Sabcap through an unlisted Z share.

At the interim reporting date Sabcap had 40 190 000 shares in issue net of treasury shares.

Sabcap has interests in ten unlisted and three listed investments, and also holds listed equity, debt and cash portfolios when it has surplus liquidity – 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 undertakes other fee and profit earning activities from time to time.

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 R112m 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 51m shares for R2,7m;
- 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 75% with the result that Sabcap's look through interest in SA Bias' two operating divisions increased marginally from 59,9% to 63,8%;
- sold 2m Transaction Capital (TC) shares for R58,9m and retains 8m TC shares;
- agreed the price for 251 880 Sabvest shares acquired in terms of a settlement of section 164 appraisal claims in an amount of R11,9m; and
- acquired 769 500 Sabcap shares through a shareholder approved buyback program for R32,7m.

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

- Apex acquired Clyde Bergemann Africa and provided convertible loan funding to Turnmill Proquip Engineering;
- SA Bias acquired Buckley International through Flowmax and Specialised Ropes through Narrowtex; and
- Masimong increased its interests in Mouton Citrus, Southern Farms and Anchor Group (which was delisted), and varied its interests in Intelichem through a merger of Intelichem with Villa Crop Protection to form Winfield United RSA (majority owned by Land Ó Lakes USA).

COVID-19 FINANCIAL EFFECTS

At the date of this report, all of the Group's investee companies are now trading at or better than 2019 and 2020 levels.

FINANCIAL RESULTS

NAV per share increased satisfactorily to 8 240 cents per share being a 24,4% increase in NAV of 6 624 cents at the previous interim reporting date and 10,7% increase in NAV of 7 444 cents at the 2020 year-end reporting date.

HEPS and EPS increased to 793,2 cents per share being greater than a 100% increase over the HEPS and EPS at the previous interim reporting date.

With regard to cash income, dividends received include a special dividend of R88,2m from SA Bias.

Expenditure increased materially due to incentive provisions raised whereas the prior year's interim expenditure was net of a reversal of incentive provisions.

An interim dividend of 20 cents per share has been declared being a 100% increase over the 2020 interim dividend and a 44,4% decrease over the 2019 interim dividend.

Net cash receipts from realisations were utilised to prepay R100m of term debt due in 2021 and 2022. The remaining term debt maturities are 2023 – 2025.

In addition to the cash and near cash, Sabcap has considerable debt capacity for investment opportunities as its net debt/assets ratio is now below 5%.

GROWTH METRICS

Sabcap's primary financial metric is growth in NAV per share. This is measured annually and growth rates over different periods are included in the year-end results.

The 15-year compounded annual growth rate to the 2020 year-end was 18,6%, calculated without re-investing dividends. The compounded annual growth rate in NAV per share over 15 years with dividends reinvested was 19,89%*.

With regard to the discount of the share price to NAV per share, Sabcap hopes to facilitate a reduction through buybacks, continued sound investment performance, improved communications to shareholders and a more long-term shareholder profile of family offices, HNWIs and institutions. However, it should be noted that shareholders investing at a particular discount get the same growth in share price as the growth in NAV as long as the discount doesn't widen, and any reduction in discount is an added return.

* Calculated with dividends notionally not paid and the amounts notionally retained by the Company growing at 9% per annum.

VALUATION OF INVESTMENTS

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

Unlisted investments are valued using the maintainable earnings model or attributable net asset value. The maintainable earnings model is based on normalised maintainable EBITDA and appropriate multiples selected on size, industry, geography, growth rates and comparables, and adjusted for net cash/debt.

The multiples used at the reporting date are unchanged from the 2020 year-end.

With regard to Masimong, its underlying investments are mostly valued on a discounted cash flow basis by independent experts.

Foreign investments are valued in rands at the closing exchange rate on the reporting date which in the case of ZAR/USD was 14,2835 (31 Dec 2020: 14,6915).

Deferred Capital Gains Tax (CGT) has been raised on fair value gains except where there are offsetting CGT losses or expected CGT exemptions. CGT is accordingly not raised on gains relating to ITL International and Flowmax UK, and deferred tax raised directly by Apex and Masimong is not raised a second time by Sabcap.

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 trading updates have been good. Corero's relationship with Juniper Networks continues to gain traction and facilitate higher volumes and revenues.

Corero's share price increased to 11p (31 Dec 2020: 10p) and Sabcap's shareholding was unchanged during the period.

Prospects for future growth are good.

- **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 its interim period and is expected to show similar growth going forward. It has successfully completed the rationalisation of its operations and completed its strategic reviews including increased digital services while optimising its traditional revenue streams. It has also reduced debt to acceptable levels and resumed dividend growth.

Metrofile's share price increased to 316 cents (31 Dec 2020: 279 cents) and Sabcap's shareholding increased slightly to 51,0m shares (31 Dec 2020: 50,1m) during the period.

Prospects for future growth are good.

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

TC continues to trade strongly in all its divisions and has recovered from the effects of COVID-19 in its 2020 financial year.

TC's share price increased to 3 782 cents (31 Dec 2020: 2 489 cents) and Sabcap reduced its shareholding from 10m to 8m 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.

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 include Clyde Bergemann Africa (renamed CBZ Solutions), ELB Construction, ELB Equipment, Elephant Lifting, Gabriel SA, Letaba Pumps, Principa, Tractor and Grader Supplies, and Turnmill Proquip Engineering.

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. The multiples on which Apex's businesses have been valued are at 3,0 – 4,5 times maintainable EBITDA. Prospects for organic and continued acquisitive growth are strong.

- **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 first two COVID lockdowns and its Durban manufacturing facilities were closed but not damaged during the recent unrest in KwaZulu-Natal. Sales volumes have been affected as a result but are expected to be back to projections by Q4 2021.

Sabcap's shareholding was unchanged during the period. Loan funding was increased. 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.

- **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.

DNI has grown strongly and continues to be highly cash generative.

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 shareholding to 30%. The multiple on which DNI group has been valued is unchanged at 6,5 times.

Prospects for organic and acquisitive growth are strong, particularly through the Digico division.

- **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. The multiple on which Flexo has been valued was unchanged at 4,5 times.

Prospects for growth are strong.

- **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 in Q1 2021 and the demand mix has varied in product and geographic sourcing with some effect on margins. 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 sales projections. However, at present the change in product mix and geographic demand has led to slightly lower margins and profits. That has affected the dollar valuation at the reporting date and in addition the conversion to rands is at a stronger rand rate.

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. The multiple on which ITL has been valued is unchanged at 9 times.

Prospects for a resumption of profit growth in 2022 are good.

- **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 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 Rolles and Anchor Capital. Masimong further enhanced its portfolio with increases in its agricultural interests and a strengthening of its coal interests through the South 32's South African Energy Coal (now Seriti Power) acquisition by Seriti, and all of its material investees performed well.

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 NAV is largely based on DCF valuations which are provisionally recalculated at mid-year and independently prepared and audited at its year-end. Sabcap has applied its shareholding percentage to a conservative view of the mid-year calculations.

Prospects for continued growth in NAV are strong.

- **REVIX GROUP** 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 crypto's 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 unexpectedly positive.

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

Most of Rolles divisions grew satisfactorily in the current financial year and cash generation was sound.

Sabcap's long-term shareholding of 25% was unchanged during the period. The multiple on which Rolles was valued is unchanged at 6 times.

Prospects for continued growth are good.

- **SA BIAS INDUSTRIES** is an international industrial group comprising:
 - Flowmax which is a group of 12 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 group of manufacturers and exporters 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 S A 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 100% of Flowmax and Narrowtex. Sabcap now owns 85,1% of SA Bias which owns 75% of each of Flowmax and Narrowtex Group with the family having acquired 25% directly in each and reducing their direct holdings in SA Bias. That has resulted in Sabcap's look through shareholdings in Flowmax and Narrowtex Group increasing from 59,9% to 63,8%. The multiples on which SA Bias was valued are unchanged with Flowmax at 6 times and Narrowtex Group at 4,5 times.

Prospects for continued growth organically and by acquisition are good.

- **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 is expected to exceed 2019 earnings and maintain 2020 earnings in 2021.

Sabcap's shareholding was unchanged during the period. The multiple on which Sunspray was valued is unchanged at 5 times.

Prospects for a resumption of growth in 2022 are good.

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 R63,6m in the USD Capital Group New Perspective Fund.
- Cash balances comprise R69,8m in a USD swap account and R14,6m in ZAR.

DIRECTORS' SHARE ENCUMBRANCES

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

