

**Sebata Holdings Limited**  
 Incorporated in the Republic of South Africa  
 (Registration number 1998/003821/06)  
 JSE Share code: SEB ISIN: ZAE000260493  
 (“Sebata” or “the company” or “the group”)

**CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

**CONDENSED GROUP STATEMENT OF PROFIT AND LOSS**

	Unaudited six months ended 30 September 2020 R'000	Reviewed six months ended 30 September 2019 *Represented R'000	Audited 12 months ended 31 March 2020 R'000
<b>Continuing operations</b>			
Revenue	20 850	65 577	161 410
Cost of sales	(7 394)	(30 434)	(86 265)
<b>Gross profit</b>	<b>13 456</b>	<b>35 143</b>	<b>75 145</b>
Other net (expenses)/income	(21 847)	55	952
Distribution expenses	(34)	(227)	(375)
Administration expenses	(60 994)	(102 580)	(226 258)
<b>(Loss) from operations</b>	<b>(69 419)</b>	<b>(67 609)</b>	<b>(150 536)</b>
Finance income	44 602	3 022	15 154
Finance cost	(9 793)	(4 249)	(16 092)
Share of profit of equity accounted associate	4 616	1 081	(2 098)
<b>(Loss) before tax</b>	<b>(29 994)</b>	<b>(67 755)</b>	<b>(153 572)</b>
Tax expense	3 730	(2 811)	30 728
<b>(Loss) for the period from continuing operations</b>	<b>(33 724)</b>	<b>(64 944)</b>	<b>(122 844)</b>
<b>(Loss)/Profit for the period from discontinued operations</b>	<b>-</b>	<b>(54 104)</b>	<b>633 751</b>
<b>(Loss)/Profit for the period</b>	<b>(33 724)</b>	<b>(119 048)</b>	<b>510 907</b>
<b>(Loss)/Profit attributable to:</b>			
Owners of the parent - continuing	(34 434)	(51 936)	(125 254)
Owners of the parent - discontinued	-	(69 428)	632 388
Non-controlling interest - continuing	710	1 861	2 410
Non-controlling interest - discontinued	-	455	1 363
	<b>(33 724)</b>	<b>(119 048)</b>	<b>510 907</b>
<b>Attributable earnings per share (cents)</b>			
<b>Basic</b>	<b>(30.44)</b>	<b>(107.28)</b>	<b>448.27</b>
Continuing operations	(30.44)	(45.91)	(110.72)
Discontinued operations	-	(61.37)	558.99
<b>Diluted basic</b>	<b>(30.44)</b>	<b>(107.20)</b>	<b>448.03</b>
Continuing operations	(30.44)	(45.87)	(110.66)
Discontinued operations	-	(61.33)	558.69
<b>Headline</b>	<b>(12.78)</b>	<b>(48.87)</b>	<b>(107.57)</b>
Continuing operations	(12.78)	(45.97)	(101.77)
Discontinued operations	-	(2.90)	(5.80)
<b>Diluted headline</b>	<b>(12.78)</b>	<b>(48.84)</b>	<b>(107.50)</b>

Continuing operations	(12.78)	(45.94)	(101.71)
Discontinued operations	-	(2.90)	(5.79)

\*The comparative periods included in the statement of profit and loss have been re-presented to align the disclosure with the requirements of IFRS5 on discontinued operations.

#### CONDENSED GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

	Unaudited six months ended 30 September 2020 R'000	Reviewed six months ended 30 September 2019 *Represented R'000	Audited 12 months ended 31 March 2020 R'000
(Loss)/Profit for the period	(33 724)	(119 048)	510 907
Other comprehensive income:			
Foreign currency translation differences	73	146	803
Disposal of subsidiaries	-	-	-
	<b>(33 651)</b>	<b>(118 902)</b>	<b>511 710</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	(34 361)	(121 218)	507 937
Non-controlling interest	710	2 316	3 773
	<b>(33 651)</b>	<b>(118 902)</b>	<b>511 710</b>
<b>Reconciliation of headline earnings (net of tax) for continuing operations:</b>			
(Loss) attributable to owners of the parent	(34 434)	(51 936)	(125 254)
(Profit) on disposal of property, plant and equipment	(426)	(72)	(63)
Loss on disposal of investment in subsidiaries	20 400	-	-
Impairment of Intangible Asset	-	-	10 188
<b>Headline earnings</b>	<b>(14 460)</b>	<b>(52 008)</b>	<b>(115 129)</b>
<b>Reconciliation of headline earnings (net of tax) for discontinued operations:</b>			
(Loss)/Profit attributable to owners of the parent	-	<b>(69 428)</b>	632 388
(Profit) on disposal of property, plant and equipment	-	(65)	(549)
Loss/(Profit) on disposal of investment in subsidiaries	-	(994)	67 449
Loss/(Profit) on disposal of discontinued operations	-	67 205	(705 851)
<b>Headline earnings</b>	-	<b>(3 282)</b>	<b>(6 563)</b>
Weighted average number of shares (000s)	113 128	113 130	113 130
Diluted weighted average number of shares (000s)	113 132	113 209	113 192
Total number of shares in issue (000s)	113 128	113 128	113 128

**CONDENSED GROUP STATEMENT OF FINANCIAL POSITION**

	Unaudited six months ended 30 September 2020	Reviewed six months ended 30 September 2019	Audited 12 months ended 31 March 2020
	R'000	R'000	R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>1 103 657</b>	<b>545 143</b>	<b>1 468 186</b>
Property, plant and equipment	6 289	45 982	18 586
Intangible assets	33 117	462 521	54 222
Investments in associates	577 815	20 783	588 157
Other financial assets	486 192	-	802 025
Deferred tax assets	244	15 857	5 196
<b>Current assets</b>	<b>536 031</b>	<b>256 433</b>	<b>248 124</b>
Inventories	-	6 264	5 256
Trade and other receivables	15 201	191 316	38 598
Income tax receivable	4 977	5 477	3 718
Other financial assets	503 663	35 142	185 818
Cash and cash equivalents	12 190	18 234	14 734
<b>Assets held for sale</b>	<b>-</b>	<b>218 599</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1 639 688</b>	<b>1 020 175</b>	<b>1 716 310</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	<b>1 228 993</b>	<b>630 450</b>	<b>1 267 800</b>
Share capital and share premium	285 063	285 063	285 063
Other reserves	7 485	8 465	7 434
Retained earnings	937 292	338 635	971 611
Non-controlling interest	(847)	(1 713)	3 692
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>	<b>270 345</b>	<b>94 799</b>	<b>273 629</b>
Other financial liabilities	3 123	12 987	3 389
Deferred tax liabilities	267 222	81 812	270 240
<b>Current liabilities</b>	<b>140 350</b>	<b>239 704</b>	<b>174 881</b>
Trade and other payables	47 320	102 974	43 960
Other financial liabilities	27 614	68 393	72 161
Income tax payable	58 402	42 174	50 883
Deferred vendor payments	7 014	7 059	7 014
Bank overdraft	-	19 104	863
<b>Liabilities directly associated with assets held for sale</b>	<b>-</b>	<b>55 222</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>410 695</b>	<b>389 725</b>	<b>448 510</b>

<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 639 688</b>	<b>1 020 175</b>	<b>1 716 310</b>
Net asset value per share (cents)	1 086.37	558.80	1 120,67
Net tangible asset value per share (cents)	1 057.09	149.95	1 072.74

#### CONDENSED GROUP STATEMENT OF CASH FLOW

	<b>Unaudited six months ended 30 September 2020</b>	<b>Reviewed six months ended 30 September 2019</b>	<b>Audited 12 months ended 31 March 2020</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Cash flow (used in)/generated from operating activities</b>	<b>7 092</b>	<b>(14 072)</b>	<b>28 890</b>
Cash (used in)/generated from operations	7 455	33 026	83 714
Finance income	106	841	3 151
Finance costs	(172)	(5 246)	(11 347)
Income tax paid	(297)	(42 693)	(46 628)
<b>Cash flow from investing activities</b>	<b>35 883</b>	<b>(54 595)</b>	<b>(33 931)</b>
Property, plant and equipment acquired	(20)	(6 535)	(7 728)
Intangible assets acquired	(2 072)	(36 393)	(61 004)
Proceeds on disposal of property, plant and equipment	606	652	173
Investment in associate	-	-	(5 864)
Net cash inflow from acquisition/disposal of businesses	10 967	7 681	41 110
Financial assets repaid	34 293	-	1 130
Financial assets advanced	(7 891)	-	(1 748)
<b>Cash flow from financing activities</b>	<b>(44 656)</b>	<b>37 109</b>	<b>(214)</b>
Treasury shares sold	-	4 691	4 691
Acquisition of non-controlling interest without a change in control	-	(20 000)	(20 000)
Other financial liabilities repaid	(44 656)	(31 558)	(54 891)
Other financial liabilities raised	-	64 390	71 885
Deferred vendor payments repaid	-	(414)	(459)
Dividends paid to non-controlling interest	-	-	(1 440)
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(1 681)</b>	<b>(31 558)</b>	<b>(5 255)</b>
Cash and cash equivalents included in assets held for sale	-	11 562	-
Cash and cash equivalents at the beginning of the period	13 871	19 126	19 126
<b>Cash and cash equivalents at the end of the period</b>	<b>12 190</b>	<b>(870)</b>	<b>13 871</b>

**CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY**

	Share Capital and Share Premium R'000	Other Reserves R'000	Retained Earnings R'000	Non- Controlling Interest R'000	TOTAL R'000
<b>Balance at 1 April 2019</b>	<b>280 372</b>	<b>8 653</b>	<b>455 992</b>	<b>45 424</b>	<b>790 441</b>
Loss for the period	-	-	(121 363)	2 316	(119 047)
<b>Other comprehensive income</b>					
Foreign currency translation differences	-	146	-	-	146
<b>Transactions with owners, recorded directly in equity</b>					
Share-based payment transactions	-	(334)	571	-	237
Disposal of subsidiaries	-	-	-	(26 018)	(26 018)
Treasury shares sold	4 691	-	-	-	4 691
Changes in ownership interest in subsidiaries without a change in control	-	-	1 381	(21 381)	(20 000)
<b>Balance at 30 September 2019</b>	<b>285 063</b>	<b>8 465</b>	<b>336 581</b>	<b>341</b>	<b>630 450</b>
<b>Balance at 1 October 2019</b>	<b>285 063</b>	<b>8 465</b>	<b>336 581</b>	<b>341</b>	<b>630 450</b>
Profit for the period	-	-	628 497	1 457	629 954
<b>Other comprehensive income</b>					
Foreign currency translation differences	-	657	-	-	657
<b>Transactions with owners, recorded directly in equity</b>					
Dividends paid	-	-	-	(1 440)	(1 440)
Share-based payment transactions	-	(1 688)	6 533	-	4 845
Disposal of subsidiaries	-	-	-	3 334	3 334
Treasury shares purchased	-	-	-	-	-
Changes in ownership interest in subsidiaries without a change in control	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>285 063</b>	<b>7 434</b>	<b>971 611</b>	<b>3 692</b>	<b>1 267 800</b>
<b>Balance at 1 April 2020</b>	<b>285 063</b>	<b>7 434</b>	<b>971 611</b>	<b>3 692</b>	<b>1 267 800</b>
Loss for the period	-	-	(34 434)	710	(33 724)
<b>Other comprehensive income</b>					
Foreign currency translation differences	-	73	-	-	73
<b>Transactions with owners, recorded directly in equity</b>					
Share-based payment transactions	-	(22)	115	-	93
Disposal of subsidiaries	-	-	-	(5 249)	(5 249)
<b>Balance at 30 September 2020</b>	<b>285 063</b>	<b>7 485</b>	<b>937 292</b>	<b>(847)</b>	<b>1 228 993</b>

**NOTES TO THE GROUP FINANCIAL INFORMATION**

**1. Basis of preparation**

These unaudited condensed interim consolidated financial statements for the six months ended 30 September 2020 are prepared in accordance with International Financial Reporting Standard (“IFRS”), (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the Listing Requirements of the JSE Limited (“JSE”). The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements. The unaudited condensed interim consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS. The fair value of financial instruments approximates their carrying value. The unaudited condensed interim consolidated financial statements, which have not been reviewed by the Group’s auditors have been prepared under the supervision of Pierre Van Eeden, CA (SA), the Financial Director.

All financial information presented in South African Rand has been rounded to the nearest thousand.

## 2. Significant accounting policies

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies that comply with IFRS and are consistent with those used in the audited annual consolidated financial statements for the year ended 31 March 2020. A number of amendments to accounting pronouncements are effective 1 March 2020, but they do not have a material effect on the group’s interim financial statements.

## 3. Disposal of subsidiaries

On 15 May 2020, the group announced that it had entered into an agreement to dispose of its 73.20% interest in Turrito Networks Proprietary Limited (“Turrito”) and Nerworks Proprietary Limited (“Nerworks”) for a consideration of R24,1 million. While the board of directors of Sebata (“Board”) had not actively been looking for a buyer, it was approached by the Purchaser, and the Management Sellers (as defined in the announcement), with the offer to purchase the respective shareholding in Nerworks and Turrito. The Board believes that the transaction unlocks value in the assets which do not fit into the current portfolio of investments and believes that the Management Sellers and the Purchaser are best placed to take over the assets. As part of the overall transaction it was agreed that the group would dispose of its remaining 14.8% interest in Turrito and Nerworks for a consideration of R1,1 million. The total consideration of R25,2 million was settled by offsetting group debt of R9,6 million and a cash consideration of R15,6 million.

The transaction resulted in the derecognition of net assets to the value of R21,2 million, the derecognition of goodwill to the value of R6,4 million and a loss on disposal R6,8 million.

<b>Figures in R’000</b>	<b>Nerworks</b>	<b>Turrito</b>	<b>Total</b>
Property, plant and equipment	2 919	2 900	5 819
Intangible assets	-	15 766	15 766
Goodwill	6 465	-	6 465
Investments	-	-	-
Inventories	545	4 628	5 173
Other financial Assets	2 068	121	2 189
Trade and other receivables	3 340	15 706	19 046
Cash and cash equivalents	364	4 312	4 676
Trade and other payables	(4 253)	(19 946)	(24 199)
Other financial liabilities	(996)	(2 945)	(3 941)
Deferred tax	359	(2 398)	(2 039)
Tax receivable/(payable)	230	(1 453)	(1 223)
<b>Total net assets disposed</b>	<b>11 041</b>	<b>16 691</b>	<b>27 732</b>
Profit/(loss) on disposal	2 395	(9 235)	(6 840)
Non-controlling interest	(2 654)	(2 595)	(5 249)
<b>Consideration</b>	<b>10 782</b>	<b>4 861</b>	<b>15 643</b>
Cash disposed	(364)	(4 312)	(4 676)

Net cash flow from disposals

10 418

549

10 967

#### 4. Financial instruments – Fair value and risk management

The carrying amount of all financial assets and liabilities approximates the fair value. Directors consider the carrying value of financial instruments of a short-term nature, that mature in 12 months or less, to approximate the fair value of such assets or liability classes. The carrying value of longer-term assets are considered to approximate their fair value as these instruments bear interest at interest rates appropriate to the risk profile of the asset or liability class.

#### 5. Commitments and contingencies

##### Capital commitments

There was no capital expenditure contracted for at the reporting date which has not yet been incurred and recognised in the financial statements.

##### Contingencies

The group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from these contingent liabilities.

#### 6. Segment information

	Unaudited six months ended 30 September 2020 R'000	Reviewed six months ended 30 September 2019 *Represented R'000	Audited 12 months ended 31 March 2020 R'000
<strong>SEGMENT REVENUE</strong>			
ICT Support Services	-	81 990	168 414
Software and Consulting Services	10 179	9 520	19 475
Holdings and consolidated	10 671	(25 933)	(26 479)
<strong>Total revenue</strong>	<strong>20 850</strong>	<strong>65 577</strong>	<strong>161 410</strong>
<strong>SEGMENT PROFIT / (LOSS)</strong>			
ICT Support Services	-	1 326	1 269
Software and Consulting Services	858	943	2 734
Holdings and consolidated	(35 062)	(54 205)	(129 257)
<strong>Total profit</strong>	<strong>(34 204)</strong>	<strong>(51 936)</strong>	<strong>125 254</strong>
<strong>SEGMENT ASSETS</strong>			
ICT Support Services	-	50 236	54 855
Software and Consulting Services	33 712	553 323	29 254
Holdings and consolidated	1 606 206	198 016	1 632 201
<strong>Total assets</strong>	<strong>1 639 206</strong>	<strong>1 020 175</strong>	<strong>1 716 310</strong>
<strong>SEGMENT LIABILITIES</strong>			
ICT Support Services	-	19 724	24 410
Software and Consulting Services	12 589	301 625	9 699
Holdings and consolidated	398 106	13 154	414 401

<b>Total liabilities</b>	<b>410 695</b>	<b>389 725</b>	<b>448 510</b>
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## 7. Related party disclosure

The group entered into transactions and had balances with related parties as listed below. These include associates, joint operations, directors and members of key management. The transactions that are eliminated on consolidation are not included. Transactions with related parties are effected on a commercial basis and related party debts are repayable on a commercial basis.

	<b>Unaudited six months ended 30 September 2020  R'000</b>	<b>Reviewed six months ended 30 September 2019  R'000</b>	<b>Audited 12 months ended 31 March 2020  R'000</b>
<b>Kyostax Proprietary Limited</b>			
Associate			
Rental expense	-	7 115	-
Repayment of lease liability	8 118	-	15 563
Other financial assets	-	4 640	3 640
<b>Kamberg Investment Holdings Proprietary Limited</b>			
Loan Payable	4 306	10 168	6 732
Interest paid	273	210	661
<b>Laird Investments Proprietary Limited</b>			
Loan Payable	18 872	34 903	43 770
Interest paid	1 043	1 903	4 085
<b>Talacar Holdings Proprietary Limited</b>			
Consulting fees	2 538	-	2 538

## 8. Corporate Governance and changes to the Board

Sebata has embraced the recommendations of the King IV Report on governance and strives to provide reports to shareholders that are timely, accurate, consistent and informative.

Changes to the Board which occurred during the period end were as follows:

- Ross Lewin resigned as an independent non-executive director and as a member of the Audit and Remuneration Committee with effect from 20 November 2020.

## 9. Subsequent events

Subsequent to the period end Sebata was served with a liquidation application instituted by Kyostax (Pty) Ltd. The application relates to outstanding rentals during the hard lockdown period that have been disputed by Sebata. The application is entirely opportunistic and unlikely to succeed.



## 10. Commentary on results

Trading conditions reported in previous reports have remained extremely difficult and have only been exacerbated by the effects of COVID-19 and the resultant national lockdown. Local government spend which has already contracted, was now also redirected to fighting the COVID-19 pandemic. Additionally, decision making in the sphere has slowed and this is reflected in the number of tenders that have been extended and remain in the adjudication phase. The lockdown and contraction in government spend has allowed the Board to reposition and restructure the companies that form part of the group and those over which it has significant influence with the result of significant cost savings being achieved. The staff head count has been reduced, operational expenditure streamlined, and we have managed to exit a majority of the leases for office space. The Board has also been able to restructure the group as a whole and has disposed of businesses that did not fit into the current portfolio of investments.

Due to the large volume of corporate activity over the past few years, and given that the majority of the group's current investment holding relates to the reduced stakes held in the companies that were disposed of to Inzalo Capital Holdings the results are difficult to interpret on face value. Continued earnings per share and headline earnings per share highlight the improved performance and are a result of the cost saving measures that have been introduced.

### Outlook

The office established in the United Kingdom ("UK") is still in its infancy but is starting to show positive signs of being the distribution hub of our Water products internationally. Additionally, the Board is very optimistic around the prospects of the investment in FIDO Tech (a leak detection company based in the UK) although also still in its infancy there appears to be great demand for the product. Water scarcity and conservation both locally and internationally is becoming very topical and the Board believes that with the current investment base we are well positioned to take advantage of opportunities as they arise.

Overall, the Board still anticipates the effects of COVID-19 and the contraction of both local and international economies to be reflected in the results for the coming six trading months and beyond.

By order of the Board

18 December 2020

Directors: DA Di Siena (Independent Non-Executive Chairperson); IG Morris (Chief Executive Officer); P van Eeden (Financial Director); CA King (Executive Director); K Moses (Non-Executive Director); PH Duvenhage (Non-Executive Director); TW Hamill (Non-Executive Director); S Nodwele (Chair of the Audit Committee and Independent Non-Executive Director); and D Passmore (Independent Non-Executive Director)

Company Secretary: R Smith

Auditors: Nexia SAB&T

Transfer Secretaries: Singular Systems Proprietary Limited

Sponsor: Merchantec Capital

Attorneys: Di Siena Attorneys

Note: No forward looking statements in this announcement have been reviewed or reported on by Sebata's auditors.