



Selective Empowerment Investments 1

AGM PRESENTATION

24 MARCH 2023



Objective of Presentation

The objective of this presentation is to provide an overview to
SEI1 shareholders on the business for the financial period ended
30 June 2022 (FY21/22)



Presentation will cover the following:

- Notice to the SEI1 Virtual AGM
- SEI1 Annual Report Summary
- Key External Audit Outcomes
- Post Balance Sheet Events





**SEI1 NOTICE OF 10TH VIRTUAL
ANNUAL GENERAL MEETING 24
MARCH 2023**



10th Annual General Meeting: Notice

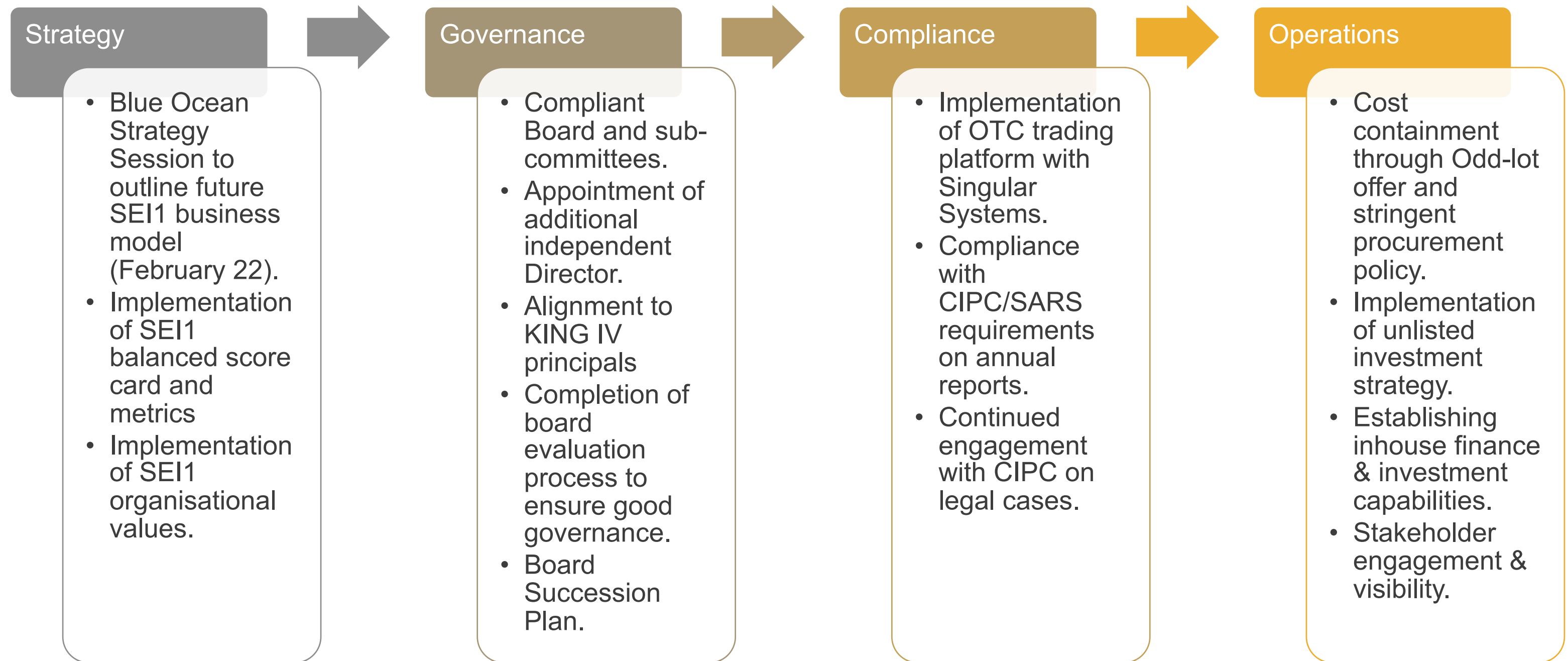
- Notice to SEI1's annual general meeting (AGM) was issued on Friday the 24th of February 2023 at 10am to all SEI1 Shareholders via post/email/SMS and publishing on SEI1's website, the OTC Express platform and SEI1's social media pages on Facebook and LinkedIn. The notices were also shared via SEI1's official provincial WhatsApp Groups.
- **In order to cater for shareholders that could not join the AGM virtually**, SEI1 conducted roadshows across South Africa from the 27th of February 2023 – 22 March 2023, except for Limpopo, whose Roadshow was cancelled due to the National Shutdown.
- An outbound call campaign has been run by Singular to allow for shareholders to vote on all platforms.



**SEI1 ANNUAL REPORT FOR THE
YEAR ENDED 30 JUNE 2022
SUMMARY**



SEI1 Annual Report Summary 30 June 2022



Refer to pages 2 – 16 of the Annual Report



SEI1 Annual Report Summary: Directorate



Meriam Kekana CA (SA)
Independent Non-Executive Director
Board Chairperson



Fuzlin Levy-Hassen CA (SA)
Independent Non-Executive Director
Appointed 6 February 2023



Mphikeleli Solomon Tsie
Independent Non-Executive Director



Dr. Sihle Sicelo Sibiya
Non-Executive Director



Tiro Motlogeloa
Non-Executive Director

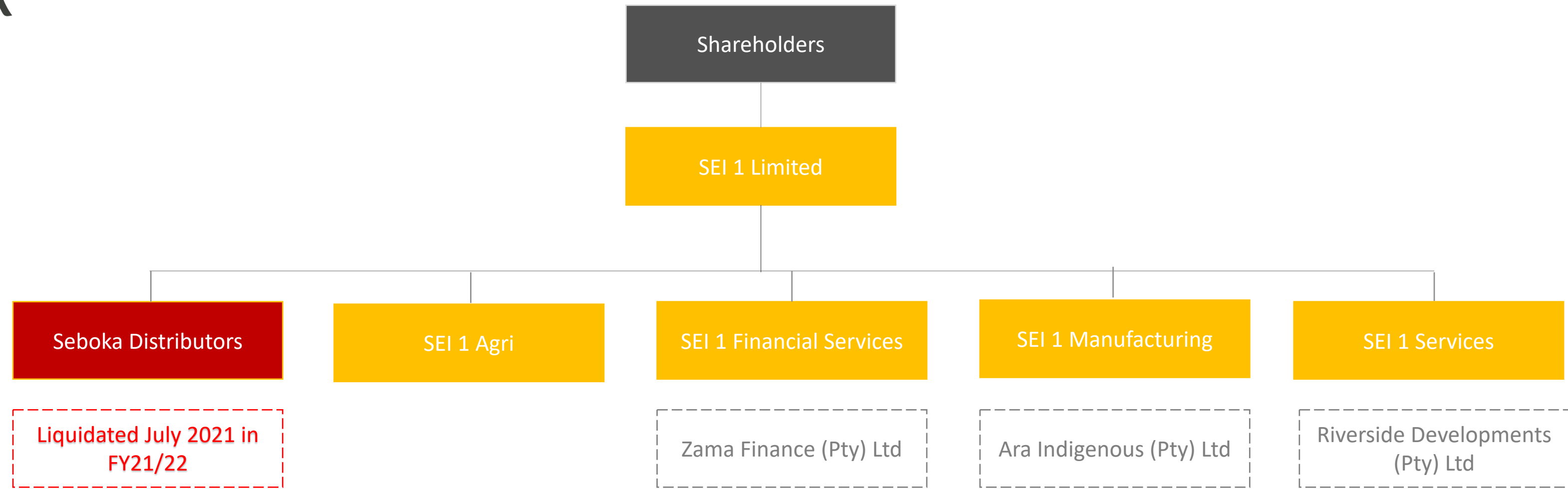


Mazvita Maradzika CA (SA)
Managing Director

Refer to pages 17 & 18 of the Annual Report & Company website for Fuzlin Levy-Hassen profile www.seinvest.co.za



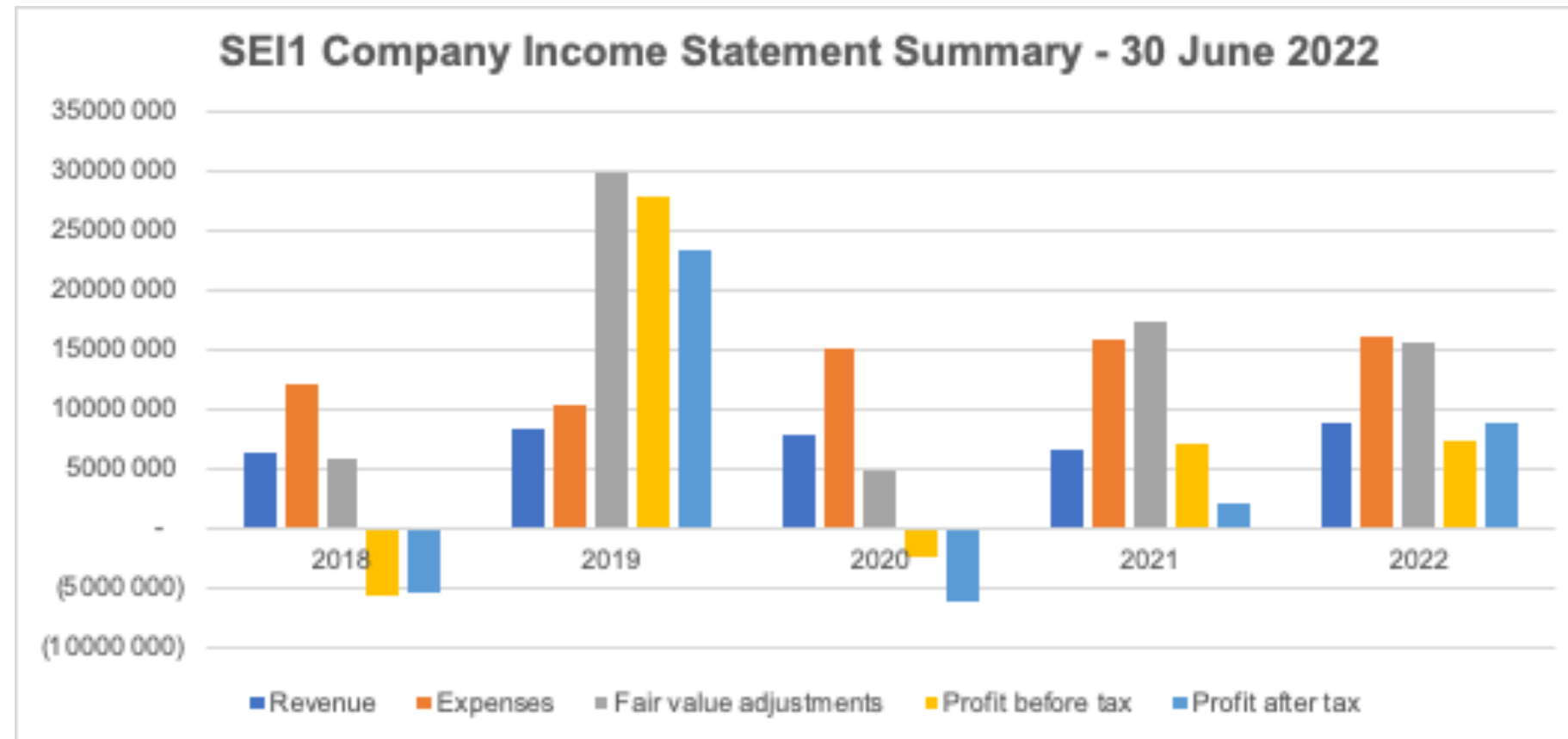
SEI1 Group Structure as of 30 June 2022



Refer to pages 33 – 42 Investment Committee Report of the Annual Report



SEI1 Company Income Statement Summary

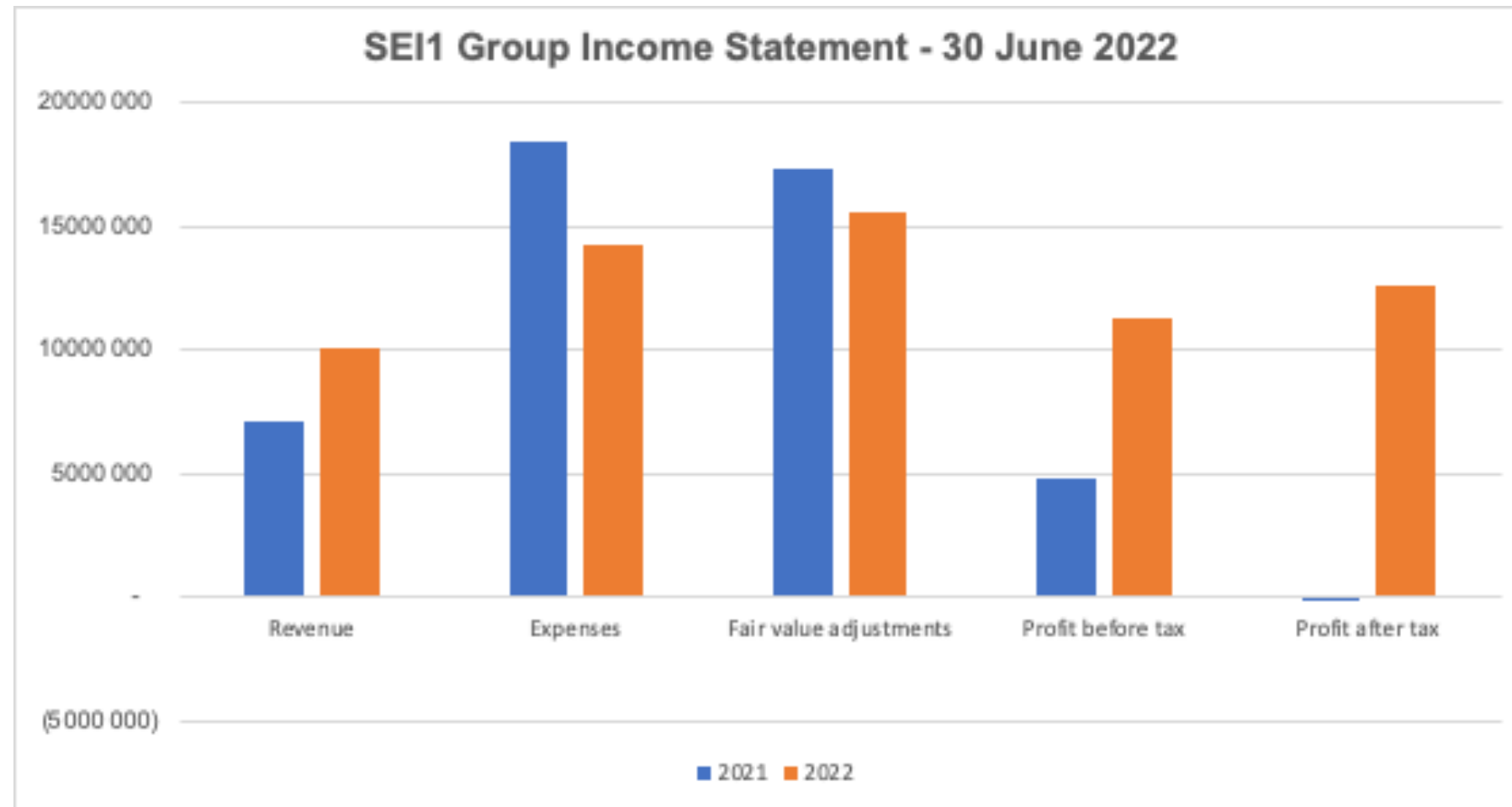


	2018	2019	2020	2021	2022
Revenue	6 313 902	8 322 460	7 813 728	6 577 664	8 899 281
Expenses	12 050 798	10 309 151	15 094 540	15 824 976	16 020 195
Fair value adjustments	5 871 598	29 788 489	4 814 088	17 285 099	15 509 480
Profit before tax	(5 736 896)	27 801 808	(2 529 915)	6 940 134	7 400 313
Profit after tax	(5 410 441)	23 246 987	(6 112 035)	2 105 425	8 744 742

- Company Interest and Dividend income was at its highest point over the last 5 years at **R8.8million** in **FY21/22** vs **FY20/21** at **R6.5million**.
- Expenses were also at an all time high at **R16million** vs **R15million** due to structural changes within the businesses e.g., Odd Lot offer and stakeholder costs. *This is significantly lower in the current financial year.*
- Fair Value adjustments reflect the growth in the investment portfolio for both listed and unlisted investments and was lower in FY21/22 due to macroeconomic conditions. **R15.5million** vs **R17.2million**.
- Profit before tax and after tax reflect a stable position with *increase NPBT & NPAT in FY21/22 is R7,4million & R8,7million respectively an improvement from FY20/21 which was R6.9million NPBT & R2.1million NPAT.*



SEI1 Group Income Statement Summary



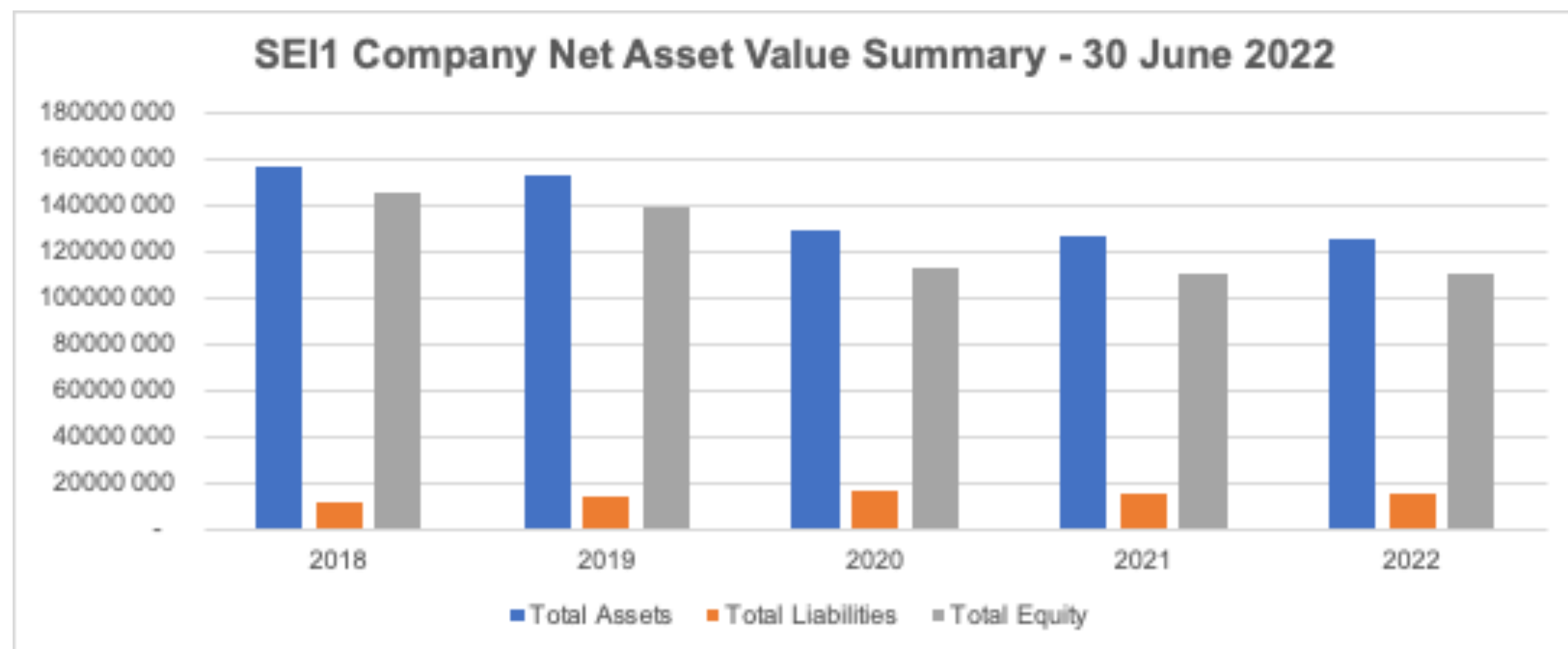
	2021	2022
Revenue	7 137 655	10 058 439
Expenses	18 457 447	14 283 636
Fair value adjustments	17 285 099	15 509 480
Profit before tax	4 767 005	11 280 940
Profit after tax	(29 636)	12 542 817

- Group Interest and Dividend income increased from **R7.1million in FY20/21 to R10million in FY21/22.**
- Group expenses **reduced from R18.4million in FY20/21 to R14.2million in FY21/22** largely due to the liquidation of Seboka Distributors and streamlining of underlying investments and related costs.
- Fair Value adjustments reflect the growth in the investment portfolio for both listed and unlisted investments and was lower in FY21/22 due to macroeconomic conditions. **R15.5million vs R17.2million.**
- Group Profit before tax and after tax reflect a stable position with *increase* **NPBT & NPAT in FY21/22 is R11.2million & R12.5million respectively an improvement from FY20/21 which was R4.7million NPBT & (R0.02million) NPAT.**

Refer to pages 62 – 103 of the Annual Report



SEI1 Company Balance Sheet Summary

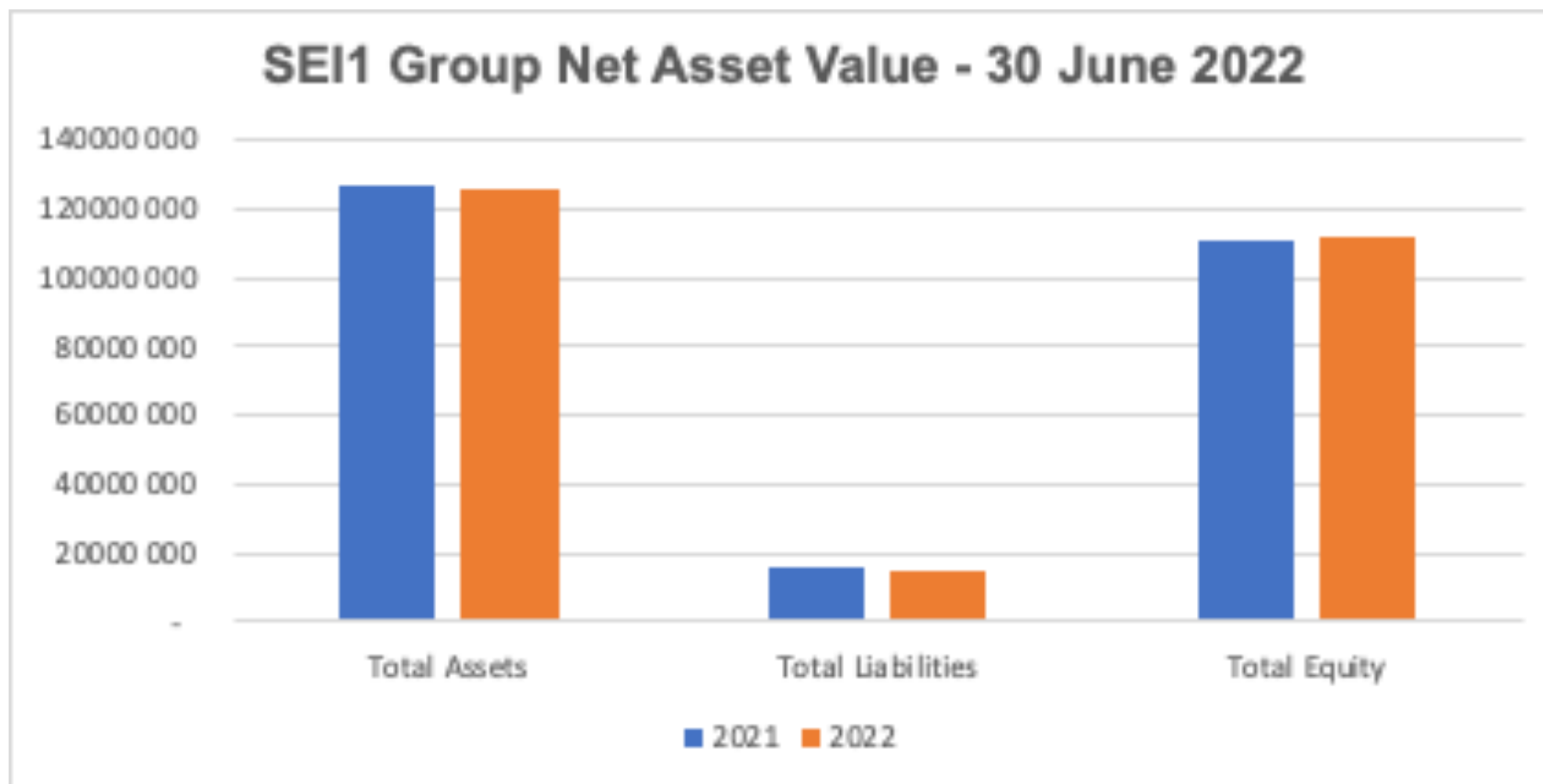


	2018	2019	2020	2021	2022
Total Assets	156 312 923	153 026 995	129 225 028	126 387 510	125 700 108
Total Liabilities	11 255 426	14 039 512	16 771 377	15 573 699	14 644 018
Total Equity	145 056 597	138 987 483	112 453 651	110 813 811	111 056 090

- The numbers shown are Company numbers incorporating all active subsidiaries as of **30 June 2022**.
- The balance sheet has remained stable despite severe negative market fluctuations impacting SEI1's listed investments.
- The unlisted investments have helped to stabilize the market fluctuations on the total investment portfolio.
- SEI1 does not have any long-term liabilities and the only liabilities sitting on the balance sheet relate to deferred tax arising from fair value timing differences.
- **Total assets of the company were R125.7million on 30 June 2022 vs R126.3million on 30 June 2021.**



SEI1 Group Balance Sheet Summary

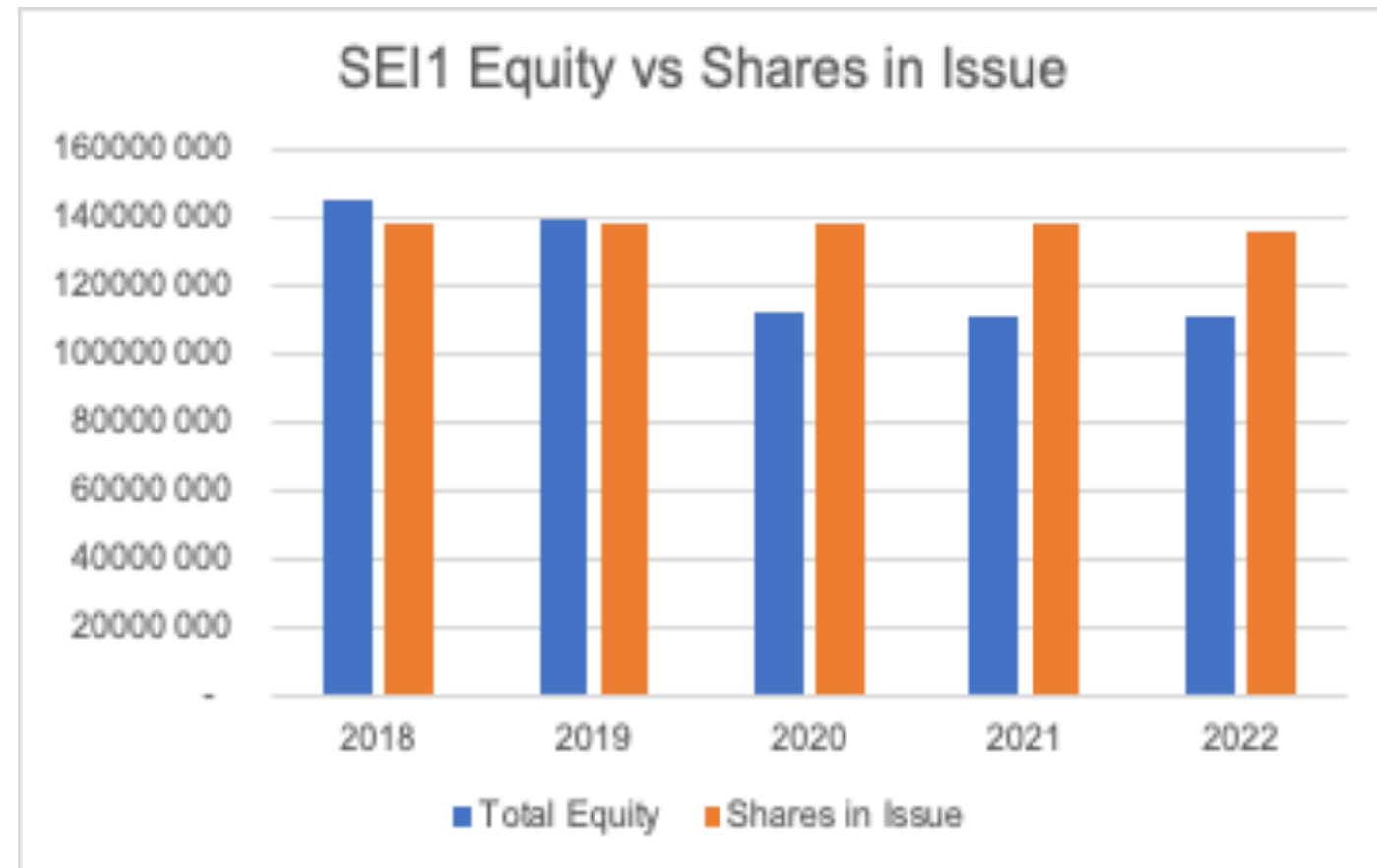


	2021	2022
Total Assets	126 765 549	126 136 404
Total Liabilities	15 628 417	14 704 180
Total Equity	111 137 132	111 432 224

- The numbers shown are Group numbers incorporating all active subsidiaries as of **30 June 2022**.
- The balance sheet has remained stable despite severe negative market fluctuations impacting SEI1's listed investments.
- The unlisted investments have helped to stabilize the market fluctuations on the total investment portfolio.
- SEI1 does not have any long-term liabilities and the only liabilities sitting on the balance sheet relate to deferred tax arising from fair value timing differences.
- **Total assets of the Group were R126.1million on 30 June 2022 vs R126.7million on 30 June 2021.**
- The values are expected to grow in the current period due to new investments and external funding through the new subsidiary.



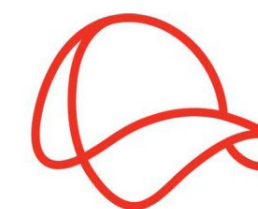
SEI1 Indicative Share Price



There has been a decline in the equity value of the business largely due to market fluctuations, further exacerbated by the Covid-19 pandemic and increased costs pertaining to legal and compliance costs (CIPC legal fees, Stakeholder costs). Despite market fluctuations, the share price remains within similar levels to prior year due to the unlisted investment strategy and a rebound of the listed portfolio.



Listed & Semi Listed Investment Portfolio Composition



Mr Price



MULTICHOICE
PHUTHUMA NATHI
SHARE THE FUTURE



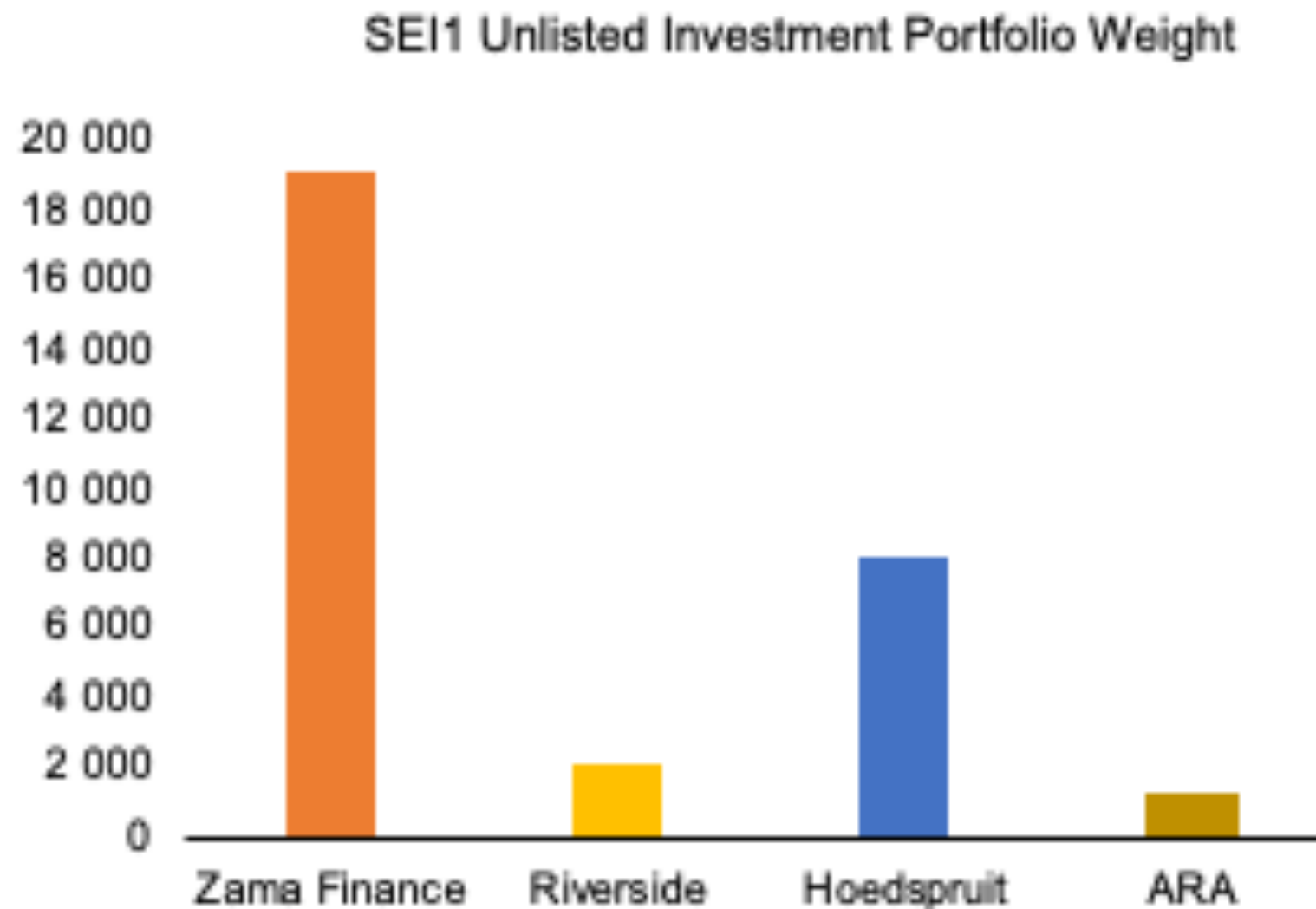
POWERING POSSIBILITY



Refer to pages 33 – 39 of the Annual Report



Unlisted Investment Portfolio Composition



- The biggest unlisted investment is in Zama Finance which is a microfinance business based in Kwa-Zulu Natal.
- SEI1 has provided developmental funding to Riverside Developments that developed a store in North-West Province whose anchor tenant is USave which is part of the Shoprite Group.
- SEI1 has an investment in Ara Indigenous that manufactures Imphepho soap.
- Reported as a subsequent event in the annual report is SEI1's investment in Hebrides Investments in conjunction with Bruce Kirchmann Developments that is developing a Maruleng Mall in Hoedspruit, Limpopo. This was concluded in October 2022.
- SEI1 has a pipeline of unlisted investments which will be funded once funding can be raised.



Unlisted Investment Portfolio

ARA[®]

U\$ave

 **COMPLETE FINANCIAL SOLUTIONS**
ZAMA FINANCE
SISEBENZA NGOBUNTU

MARULENG MALL
Hoedspruit, Limpopo



EXTERNAL AUDIT OUTCOMES



SEI1 External Audit Outcomes

External Audit Findings of a significant nature are outlined as follows:

- ❑ Non-compliance of beneficial interest shareholders on share register in terms of s56(5) of Companies Act resulting in a reportable irregularity raised due to non-compliance with laws & regulations. Quantitatively this impacted 0.34% of the total shares in issue. SEI1 issued “issuers notice” to the 56 affected shareholders and continues with contact tracing to ring fence shares.
- ❑ Going concern linked to the outstanding liquidation matter whose judgement remains outstanding from the High Court, Pretoria. While the Company is profitable and solvent, the court case limits the Companies ability to conclude on certain transactions and raise more debt and equity in the markets to grow the business.

Refer to pages 57 – 61 of the Annual Report



SEI1 External Audit Outcomes

Action items implemented by the Company to clear RI Matters:

- ☐ Issuers notice issued to 56 affected shareholders (0.34% of total issued share capital) issued in December 2022.
- ☐ Contact tracing of representatives of beneficial shareholders ongoing.
- ☐ 2nd letter issued & advert to be placed in national newspapers – issue expected April 2023.
- ☐ In line with SEI1 MOI, offer Unincorporated Groupings option to allocate individual shareholding to beneficial shareholders to ensure shares are directly held – April 2023.
- ☐ Consider conversion of shares of 56 shareholders shares to treasury shares to manage governance & compliance risk of the Company – May 2023.



EVENTS POST BALANCE SHEET

JULY 2022 - CURRENT



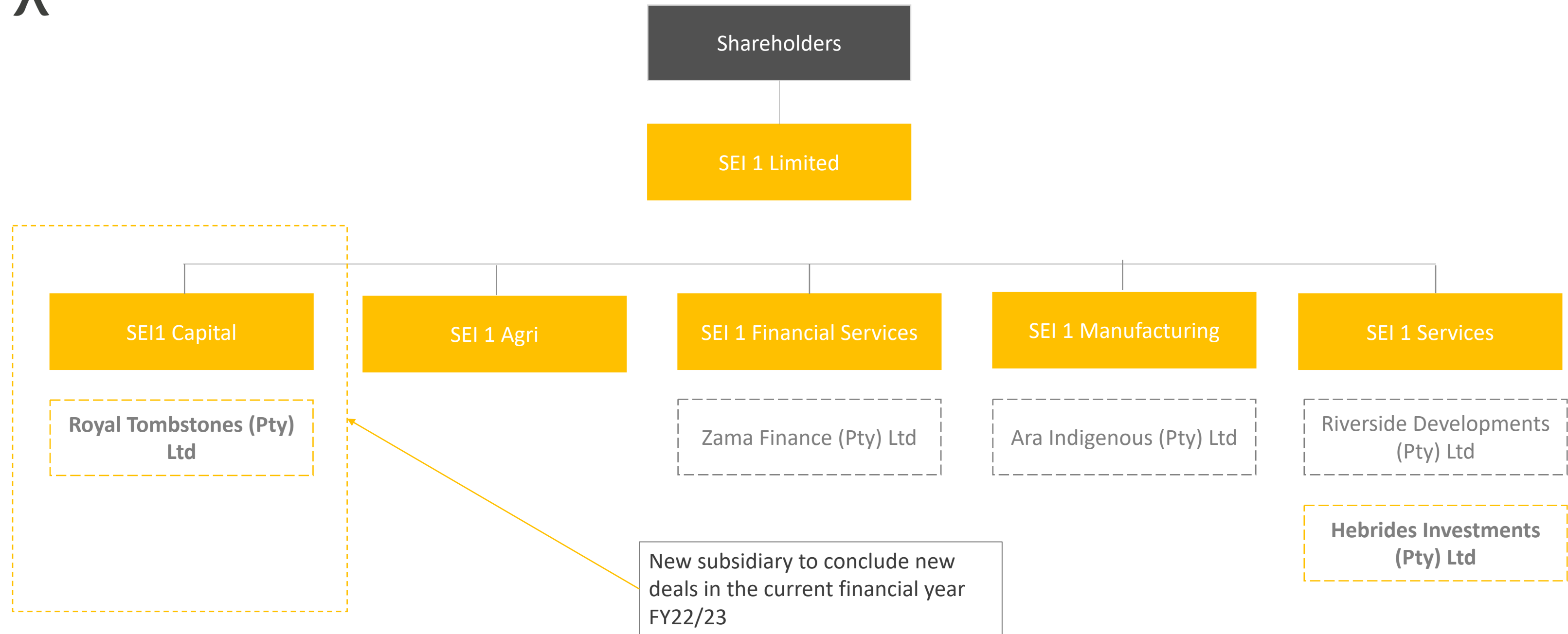
Current year developments

Stakeholders will note events that have taken place post balance sheet within the current year and these include the following:

- ☐ Liquidation Hearing that was held on the 5th of October 2022 and judgement is pending.
- ☐ Director Delinquency matter scheduled to be heard at the Pretoria High Court on the 24th of April 2023.
- ☐ Incorporation of SEI1 Capital, a subsidiary to raise debt funding for new deals – this addresses the Going Concern matter.
- ☐ Appointment of new independent non-executive director, Fuzlin Levy-Hassen.
- ☐ Appointment of new external auditors, Chapu Inc for a 5 year term post the rotation of Mkiva Inc.
- ☐ Introduction of SEI1 branded funeral policies for SEI1 shareholders and family which will be underwritten by King Price Insurance & Old Mutual.
- ☐ Conclusion of three additional new investments
 - ☐ Herbrides Investments – Development of Maruleng Mall, Hoedspruit, Limpopo.
 - ☐ Royal Tombstones – Tombstone Manufacturing Franchises.



SEI1 Group Structure - Current





QUESTIONS