

ZXSWB – Acquisition of Ordinary Shares in Senwes Limited

AGRIBEL HOLDINGS LIMITED - ZXSWB

ISIN Number: ZAEZ00000026

(Incorporated in the Republic of South Africa)

Registration Number: 1996/017629/06

(“**Agribel**” or “**the Company**”)

ACQUISITION OF ORDINARY SHARES IN SENWES LIMITED

1. Introduction

Agribel shareholders are hereby advised that Agribel has entered into an agreement with Grindrod Trading Holdings Proprietary Limited (“**GTH**”), a wholly-owned subsidiary of Grindrod Limited, on 28 December 2020 (“**Agreement**”), in terms of which Agribel has agreed to acquire from GTH, its entire shareholding in Senwes Limited (“**Senwes**”), being 37 395 213 Senwes ordinary shares (“**Sale Shares**”), for a cash consideration of R 385 170 693.90 (“**Sale Consideration**”) (“**Transaction**”).

2. Rationale for the Transaction

The Board of Directors of Agribel is of the view that the acquisition of the Sale Share is a significant value proposition considering the current net asset value of Senwes. It also presented a unique opportunity to significantly increase Agribel’s strategic holding in Senwes. The Board is therefore confident that the completion of the Transaction will add significant value to Agribel.

3. Terms and conditions of the Transaction

3.1 Effective Date

The Sale Shares will be sold by GTH to Agribel, with effect from the third business day following the fulfilment or waiver, if applicable, of the last of the Conditions Precedent (as defined in paragraph 3.3 below) (“**Closing Date**”).

3.2 Sale Consideration

3.2.1 The Sale Shares will be sold by GTH to Agribel, for the Sale Consideration, which is payable on the Closing Date.

3.2.2 The Sale Consideration shall be reduced by the amount of any dividend that may be declared in respect of the Sale Shares during the month of December 2020 and which is actually paid to GTH (for purposes of clarity, depending on whether the Sale Shares are transferred to Agribel in terms of the Agreement, before or after the record date for any such dividend).

3.3 **Conditions precedent**

The Agreement is subject to the fulfilment, or waiver by the written agreement of both parties to the Agreement, of the following outstanding conditions precedent, by not later than 17:00 on 31 March 2021:

3.3.1 confirmation by Agribel in writing that it has secured the funding required in order to make payment of the Sale Consideration; and

3.3.2 approval of the Transaction by way of a written resolution passed by the board of directors of Agribel.

3.4 **Representations and Warranties**

The Agreement contains representations and warranties by GTH in favour of Agribel, and by Agribel in favour of GTH, which are considered standard for a transaction of this nature.

4. **Financial information**

It is anticipated that the financial effect of the Transaction on Agribel, should the entire Sale Consideration be financed, will be as follows:

- Headline Earnings per Share (HEPS) is expected to decrease by 0,004%;
- The net asset value is expected to increase by 17,79% based on the financial information of 30 April 2020; and
- The net asset value is expected to increase by 19,01% based on the financial information of 31 October 2020.

The pro forma financial effect was calculated in accordance with the SAICA guidance in terms of which pro-forma calculations are shown as if the Transaction happened at the beginning of the reporting period or, in the case of pro forma financial position, at the date reported on.

AE Scholtz
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28 December 2020