

## **NOVUS HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2008/011165/06)

Share code: NVS

ISIN: ZAE000202149

("Novus")

## **A2 INVESTMENT PARTNERS PROPRIETARY LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2021/530443/07)

("Offeror")

## **JOINT ANNOUNCEMENT OF THE FIRM INTENTION TO MAKE A MANDATORY OFFER TO NOVUS SHAREHOLDERS AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

### **1. INTRODUCTION**

- 1.1. Shareholders are referred to the announcement released on the Stock Exchange News Service ("**SENS**") on 16 July 2021, in terms of which:
  - 1.1.1. reference was made to Novus's annual results for the year ended 31 March 2021, wherein it was advised that the board of directors of Novus ("**Novus Board**") had declared a gross Cash Dividend (the "**Cash Dividend**") of 50 cents per ordinary Novus share ("**Novus Share**"); and
  - 1.1.2. holders of Novus ordinary shares ("**Novus Shareholders**") were informed that they would be entitled to elect to receive a scrip distribution of fully-paid Novus Shares, held as treasury shares by Novus, in proportion to their ordinary shareholding in Novus on the Record Date ("**Scrip Distribution Shares**" or "**Scrip Distribution Alternative**"), being Friday, 10 September 2021 ("**Record Date**") instead of the Cash Dividend.
- 1.2. Novus Shareholders are further referred to the announcement released on SENS on 27 August 2021, in terms of which, *inter alia*, it was announced that the Scrip Dividend Alternative had been approved by Novus Shareholders.
- 1.3. On 13 September 2021 the Novus Shareholders received the Cash Dividend or Scrip Distribution Shares (the "**Distribution**") as per their election. As a result of not all Novus Shareholders electing to receive the Scrip Distribution Shares:
  - 1.3.1. the Offeror's shareholding in Novus increased from 50 814 011 Novus Shares, being 17.64% of the issued share capital of Novus excluding treasury shares

(“**Issued Share Capital**”) to 60 427 312 Novus Shares, being 18.92% of the Issued Share Capital; and

- 1.3.2. the Offeror controls the voting rights in respect of 59 466 309 Novus Shares, being 18.62% of the Issued Share Capital, which Novus Shares the Offeror manages on behalf of an associate,

resulting in the Offeror holding and/or controlling the voting rights in respect of 119 893 621 Novus Shares, being 37.55% of the Issued Share Capital.

## 2. **INFORMATION ABOUT THE OFFEROR**

The Offeror is an investment company operating in the South African market.

## 3. **MANDATORY OFFER**

- 3.1. Following the Distribution, the Offeror holds and/or controls the voting rights in respect of Novus Shares exceeding of 35% of the Issued Share Capital. Consequently, a mandatory offer has been triggered as described in section 123 of the Companies Act, (No. 71 of 2008) as amended (“**Companies Act**”) by the Offeror.
- 3.2. In terms of regulation 111(2) of the Takeover Regulations, 2011 promulgated under the Companies Act (“**Takeover Regulations**”), if an offer is made and the offeror or its concert parties has acquired relevant securities in the offeree regulated company within the 6 months period before the commencement of the offer period, the consideration paid, per security, to the minorities of the same class must be identical to, or where appropriate, similar to the highest consideration paid, excluding commission, tax and duty, for those acquisitions.
- 3.3. Whilst the highest price at which the Offeror acquired Novus Shares within the six month period before the commencement of the offer period was 285c, given that Novus paid the Cash Dividend of 50c, the Takeover Regulation Panel, in terms of Regulation 111(3) read with Regulation 118(4), have exempted the Offeror from compliance with Regulation 111(2) relating to the affected transaction that would be triggered under Section 117(1)(c)(vi) read with Section 123 as defined in the Takeover Provisions of the Companies Act. Consequently, the offer consideration per Novus Share will be of 235c, to factor in the Cash Dividend paid (i.e. 285c less 50c).

#### 4. TERMS OF THE OFFER

The material terms of the offer to be made by the Offeror to all Novus Shareholders excluding the Offeror and its associates (the "**Offer**") are as follows:

##### 4.1. *Offer consideration*

The Offeror will extend a cash offer, as required in terms of section 123(4) of the Companies Act, to Novus Shareholders other than the Offeror (and its associates) to acquire all or part of such Novus Shareholders' Novus Shares at an offer price of 235c per Novus Share (the "**Offer Consideration**").

##### 4.2. *Conditions precedent to the Offer*

4.2.1. The implementation of the Offer is subject to the fulfilment (or waiver (to the extent legally permissible) by the Offeror by notice to Novus) of the following conditions precedent ("**Conditions Precedent**"):

4.2.1.1. obtaining all regulatory approvals, consents or waivers from those regulatory authorities as may be required to implement the mandatory offer, including:

4.2.1.1.1. the Takeover Regulation Panel having issued a compliance certificate in respect of the mandatory offer in terms of section 119(4)(b) of the Companies Act; and

4.2.1.1.2. the competition authorities granting the approval for the Offeror to acquire control of Novus pursuant to the implementation of the Offer or otherwise, either unconditionally or with conditions acceptable to the Offeror.

##### 4.3. *Appointment of an independent board and an independent expert to advise on the fairness and reasonableness of the Offer*

As required in terms of the Companies Act and the Takeover Regulations, Novus has constituted an independent board, comprising of Phumla Mnganga, Abduraghman Mayman, and Lulama Mtanga (the "**Independent Board**"). The Independent Board has appointed BDO Corporate Finance Proprietary Limited as the independent expert, as required in terms of Regulation 110 of the Takeover Regulations, to provide the Independent Board with external advice regarding the Offer and to make appropriate recommendations to the Independent

Board for the benefit of Novus Shareholders. The substance of the external advice and the views of the Independent Board will be detailed in the Joint Circular referred to below.

5. **IRREVOCABLE UNDERTAKINGS**

No Novus Shareholder has given any undertaking in respect of accepting or rejecting the Offer.

6. **BANK GUARANTEE**

In accordance with Regulations 111(4) and 111(5) of the Takeover Regulations, the Takeover Regulation Panel has been furnished with and approved an irrevocable, unconditional guarantee issued by the Standard Bank of South Africa Limited in favour of the Novus Shareholders in respect of the Offer for the sole purpose of the Offeror fully satisfying the Offer Consideration.

7. **OFFEROR RESPONSIBILITY STATEMENT**

The Offeror:

- 7.1. accepts responsibility for the information contained in this announcement as it relates to the Offeror;
- 7.2. confirms that to the best of their respective knowledge and belief, the information contained herein is true and correct; and
- 7.3. confirms that this announcement does not omit anything likely to affect the importance of the information contained in it.

8. **INDEPENDENT BOARD RESPONSIBILITY STATEMENT**

The Independent Board:

- 8.1. accepts responsibility for the information contained in this announcement as it relates to Novus;
- 8.2. confirms that to the best of their respective knowledge and belief, the information contained herein is true and correct; and
- 8.3. confirms that this announcement does not omit anything likely to affect the importance of the information contained in it.

9. **COMBINED CIRCULAR DISTRIBUTION DATE**

A combined offer circular to Novus Shareholders containing full details in respect of the Offer and incorporating the Independent Board's view of the Offer and the Offer Consideration ("**Joint Circular**") is in the process of being prepared. In accordance with Regulation 102(2) of the Takeover Regulations,

the Joint Circular will be distributed to Novus Shareholders within 20 (twenty) business days of the date of this announcement.

Shareholders will be advised of the distribution of the Joint Circular and the opening date of the Offer by means of a SENS announcement.

In accordance with Regulation 102(4) to the Companies Act the Offer will remain open for acceptance for at least 30 business days after the opening date of the Offer, which will occur on the day after the date on which the conditions precedent have been fulfilled or as soon as reasonably possible thereafter.

10. **WITHDRAWAL OF CAUTIONARY**

Novus Shareholders are referred to the cautionary announcement dated 13 September 2021, and are advised that, further to the information set out in this announcement, caution is no longer required to be exercised when dealing in the Company's securities.

Cape Town

01 October 2021

Sponsor to Novus

**Merchantec Capital**

Legal Advisor to Novus

**Van der Spuy & Partners**

Legal Advisor to the Offeror

**ENSafrica**