



Novus Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 2008/011165/06)
JSE share code: NVS ISIN: ZAE000202149
("Novus Holdings" or "the Company" or "the Group")

DISPOSAL OF LETTING ENTERPRISE

1. INTRODUCTION

1.1. Shareholders are advised that the Group's wholly-owned subsidiary, Novus Print Proprietary Limited ("**Novus Print**" or the "**Seller**"), is in the final stages of concluding the disposal of their Linbro Park ("**Linbro**") Properties, as described below, following the Properties being carried as an asset-held-for-sale since March 2021. On 1 February 2022 ("**Signature Date**"), Novus Print entered into a sale agreement with Micasa Asset Management Proprietary Limited ("**Purchaser**") in respect of the disposal of the Novus Print "**Letting Enterprise**" as described below ("**Sale Agreement**"), for a cash purchase consideration of R125 000 000 ("**Consideration**") (the "**Disposal**").

The Purchaser is wholly-owned by Amina Bibi Sooliman, who is the sole director.

1.2. The Letting Enterprise comprises:

1.2.1. the "**Properties**", being Erf 51 Frankenwald Extension 16 Township and Erf 131 Frankenwald Extension 9 Township, Registration Division I.R., Province of Gauteng, previously housing the Seller's print facility;

1.2.2. the "**Lease Agreement**" entered into between Novus Print (as lessor) and Milnex 587 Close Corporation ("**Milnex**") (as lessee) in respect of the Properties, which commences on 1 April 2023 and continues for a period of 36 months, and in terms of which a rental amount equating to the monthly operating costs of the Properties is to be paid for the period from 1 April 2023 to 31 July 2023, R1 000 000 per month for the 12 month period from 1 August 2023 to 31 July 2024, with an annual increase equal to CPI for each subsequent year being payable by Milnex to Novus Print; and

1.2.3. generators located at the Properties ("**Generators**").

2. THE DISPOSAL

2.1. Details of the Properties

The Properties mean Erven 51 and 131, Registration Division I.R., Province of Gauteng, in extent of a total of 3,5165 hectares, together with all permanent improvements thereon, situated at 46 and 48 Milky Way Drive, Linbro Park, Johannesburg.

The gross lettable area of the Properties is 21 402m² and the weighted average net monthly rental per square metre is R46.73.

2.2. Rationale for the Disposal

In 2021, Novus Print operated two production facilities in Johannesburg. Taking into consideration the general reduction in volume demand, it was decided to rationalise and consolidate the two production facilities onto one of the existing sites. As a result, the Linbro Park facility became surplus to requirements, operations were successfully rationalised and relocated and the building has been vacated.

The consolidation and closure are in line with the Group's stated objective of right-sizing the print operations to suit market requirements whilst still maintaining meaningful and appropriate capacity in Johannesburg. The proceeds of the Disposal will be added to existing Group cash resources.

2.3. Consideration and Effective Date

The consideration payable by the Purchaser to the Seller for the Letting Enterprise is an amount of R125 000 000 payable in cash on the date of registration of transfer of the Properties in the name of the Purchaser ("**Transfer Date**").

Possession and occupation of the Properties will be given by the Seller to the Purchaser on the Transfer Date. The transfer of the Generators and the Lease Agreement shall also be effective from the Transfer Date, which is currently expected to be on or about 30 June 2023 ("**Effective Date**").

2.4. Conditions Precedent

The Disposal is subject to the fulfilment of the following suspensive conditions:

- 2.4.1. on or before 31 March 2023, the Purchaser has completed a due diligence investigation of the Properties, including the generators;
- 2.4.2. on or before 31 March 2023, the Purchaser has provided written confirmation to the Seller that it has obtained the requisite funding from a financial institution to fund the purchase of the Properties;
- 2.4.3. on or before 28 February 2023, the Seller obtains the necessary clearance certificate from the Linbro Business Park Property Owners Association to transfer the Properties to the Purchaser; and
- 2.4.4. on or before 31 May 2023, the Disposal shall have been approved, to the extent necessary, in terms of the Competition Act, No 89 of 1998.

3. VALUATION OF THE PROPERTY

The Properties have not been independently valued. Instead, the value is represented by the book value of R109,9 million, as determined by the board of directors of the Company ("**Board**").

The Board is not considered independent for this purpose, and its members are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No 47 of 2000.

4. FINANCIAL INFORMATION

The value of the net assets of the Letting Enterprise as per the audited annual financial statements for the year ended 31 March 2022 is R109,8 million and R109,9 million as per the interim financial statements for the period ended 30 September 2022. The operating costs included in profit before tax attributable to the Letting Enterprise, for the year ended 31 March 2022 amounted to R15,9 million and for the period ended 30 September 2022 amounted to R4,1 million.

The audited annual financial statements for the year ended 31 March 2022 and interim financial statements for the period ended 30 September 2022 were prepared in accordance with International Financial Reporting Standards and the South African Companies Act No 71 of 2008.

5. CATEGORISATION OF THE DISPOSAL

The Disposal is classified as a Category 2 transaction in terms of the Listings Requirements of the JSE Limited.

Cape Town

2 February 2023

Sponsor

Merchantec Capital