



**NVEST FINANCIAL HOLDINGS LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 2008/015990/06)  
("NVest" or "the Company")  
ISIN Code: ZAE000199865      JSE Code: NVE

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**FIRM INTENTION ANNOUNCEMENT REGARDING:**

- **AN OFFER BY EXISTING NVEST SHAREHOLDERS ("the Consortium" or "the Offeror") TO ACQUIRE ALL THE NVEST SHARES NOT ALREADY HELD BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT;**
  - **THE PROPOSED DELISTING OF NVEST; AND**
  - **POSTING OF CIRCULAR AND NOTICE OF SCHEME MEETING**
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**1. INTRODUCTION**

**1.1** The Board of directors of NVest ("**Board**") refer to the cautionary announcement published on 26 August 2021 relating to the receipt of an Expression of Interest to acquire 100% of all the issued ordinary shares in NVest not already held by related parties, management and directors of NVest at R2.10 per share. The Board advises shareholders that the Company has now received a firm offer from The Consortium to acquire all of the ordinary shares in the Company not already owned by it at R2.10 per share ("**Offer**"), other than the majority directors and key members of staff that have irrevocably undertaken not to accept the Offer ("**Excluded shareholders**"). The offer will be implemented by way of a scheme of arrangement ("**Scheme**") between NVest and its shareholders, in terms of section 114(1)(c) of the Companies Act, No. 71 of 2008, as amended ("**Companies Act**"), to be proposed by the Independent Board (as defined in paragraph 4.1 below) and will be followed by the delisting of the Company from the Alternative Exchange of the JSE Limited ("**JSE**") in terms of paragraph 1.17(b) of the JSE Listings Requirements ("**Delisting**").

**1.2** The contents of this announcement constitute a firm intention by the Offeror to make the Offer as contemplated in Chapter 5 of the Companies Act and Chapter 5 of the Companies Regulations, 2011, promulgated under the Companies Act (which includes the Takeover Regulations issued pursuant to sections 120 and 223 of the Companies Act).

**2. THE SCHEME**

**2.1 Salient terms of the Scheme**

- 2.1.1** The consideration payable by the Offeror to eligible shareholders (being all NVest shareholders, excluding the Consortium) ("**Eligible Shareholders**"), if the Scheme becomes operative, is R2.10 (two rand ten cents) per share ("**Scheme Consideration**"), payable in cash on the date on which the Scheme becomes operative.
- 2.1.2** An offer price of R2.10 per share approximates the 30 day Volume Weighted Average Price, ("VWAP") and the 60 day VWAP.
- 2.1.3** The Excluded Shareholders have irrevocably undertaken not to accept the Offer, details of which will be laid out in the Scheme circular that will be sent to shareholders, and, together with their associates, if any, will be precluded from voting.
- 2.1.4** The Offeror is acting as principal and not as agent in respect of the Scheme and it is not acting in concert with any parties for purposes of the implementation of the Scheme.

## **2.2 Rationale for the Scheme**

- 2.2.1 The original rationale for the listing was to provide NVest with a platform to grow beyond the Eastern Cape. The Company believed that being listed on the Alt-X would further raise the profile and visibility of the organization which would in turn lead to increased opportunities presenting themselves. It was also anticipated that the listing would help increase the liquidity of the shares of the Company and enable an effective staff incentive scheme.
- 2.2.2 For the most part, the above expectations have not been met to the satisfaction of the Company, NVest has not benefitted from the listing as envisaged and it is not foreseen that it will sufficiently benefit the business to remain listed.
- 2.2.3 Related to this, a disillusioned management team of the Gauteng branch of NFB Private Wealth Management (formerly NFB Finance Brokers Gauteng Pty Limited, acquired by the Company in 2015 shortly after the listing) have, as reported in the Integrated Annual Report for the year ended 28 February 2021, expressed a desire to exit from the NVest Group in order to pursue their own strategy. Discussions in this regard are ongoing.
- 2.2.4 The Company and the Consortium is of the view that it is unsustainable for NVest to maintain its listing on the JSE and the Delisting will result in both cost savings and substantial management time savings.

## **2.3 Mechanics of the Scheme**

- 2.3.1 The Scheme constitutes an "affected transaction" as defined in section 117(1)(c) of the Companies Act and accordingly will be regulated by the Companies Act, the Companies Act Regulations and the Takeover Regulation Panel ("TRP").
- 2.3.2 The Offer will be affected by way of a scheme of arrangement in terms of section 114(1)(c) of the Companies Act, proposed by the Independent Board, as defined in paragraph 4.1 below, between the Company and its shareholders, in terms of which, if implemented, the Consortium will acquire all the shares held by its shareholders (except those shareholders that have irrevocably agreed not to accept the Offer) for the Scheme Consideration.
- 2.3.3 The Scheme is subject to the fulfilment or waiver (as the case may be) of the conditions set out in paragraph 2.4 below.
- 2.3.4 In the event that the Scheme becomes operative, the listing of the Company's shares on the Alternative Exchange of the JSE will be terminated and Eligible Shareholders will be deemed to have sold all of their NVest shares for the Scheme Consideration.

## **2.4 Conditions to the Scheme**

- 2.4.1 The implementation of the Scheme is subject to the fulfilment or waiver, as the case may be, of the following conditions precedent:
- 2.4.1.1 the Independent Board unanimously recommending to NVest's shareholders, without qualification, that they vote in favour of the Scheme;
- 2.4.1.2 the Independent Expert, as defined in paragraph 4.2 below, having issued its report in terms of section 114(3) of the Companies Act (read with the Companies Act Regulations) regarding the fairness and reasonableness of the terms and conditions of the Scheme, and such opinion not being withdrawn or adversely amended;

- 2.4.1.3 all regulatory approvals and/or consents to give effect to the Scheme have been obtained (either unconditionally or subject to conditions acceptable to the Company), including, without limitation, the JSE, the TRP, and the Financial Surveillance Department of the South African Reserve Bank (in each case to the extent necessary);
- 2.4.1.4 approval of the Scheme by the requisite majority of eligible voting NVest shareholders, as contemplated in section 114, read with section 115, of the Companies Act ("**Scheme Resolution**");
- 2.4.1.5 the Scheme Resolution has been passed and, to the extent required in terms of section 115(3)(a) of the Companies Act, the implementation of the Scheme Resolution is approved by the Court and, if applicable, the Company has not elected to treat the Scheme Resolution as a nullity in terms of section 115(5) of the Companies Act;
- 2.4.1.6 if the Scheme Resolution has been passed and any person who voted against the Scheme Resolution applies to the Court within 10 (ten) business days after the vote for a review of the Scheme in accordance with the requirements of section 115(3)(b) of the Companies Act, (i) no leave is granted by the Court to such person to apply to court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act or (ii) if leave is granted by the Court to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act, the Court has not set aside the Scheme Resolution in terms of section 115(7) of the Companies Act; and
- 2.4.1.7 the TRP has issued a compliance certificate in respect of the Scheme in terms of section 119(4)(b) of the Companies Act.
- 2.4.2 The proposal of the Scheme Resolution is in anticipation of the Delisting which will follow immediately after the Scheme becomes unconditional, as detailed in paragraph 2.5 below.
- 2.4.3 The conditions precedent stipulated in paragraphs 2.4.1.3 to 2.4.1.7 are regulatory in nature and may not be waived.
- 2.4.4 An announcement will be published on SENS and in the press as soon as practicable after all the conditions to the Scheme have been fulfilled or waived, as the case may be.

## **2.5 Termination of NVest's listing**

Following the implementation of the Scheme and the Scheme becoming unconditional, the listing of NVest's shares on the Alternative Board of the JSE will be terminated in terms of section 1.17(b) of the JSE Listings Requirements with effect from the operative date of the Scheme.

## **3. CONFIRMATION OF FINANCIAL RESOURCES**

In accordance with Regulation 111(4) and Regulation 111(5) of the Companies Act Regulations, the Consortium has delivered to the TRP a letter of confirmation by Cooper Conroy Bell and Richards Incorporated that sufficient cash is being held in Escrow on behalf of the Consortium to secure the settlement of the Scheme Consideration, which is limited to R5 906 426.40 (five million nine hundred and six thousand four hundred and twenty six rand and forty cents)

## **4. INDEPENDENT BOARD, INDEPENDENT EXPERT REPORT**

- 4.1 The Board has established an independent board ("**Independent Board**"), comprising Dr Lana Weldon, Ms Lusanda Mangxamba and Mr Charl Herselman to consider the terms and conditions of the Scheme.

- 4.2 The Independent Board has, in accordance with section 114(3) of the Companies Act and regulation 90 of the Companies Act Regulations, appointed A2A Kopano Incorporated as the Independent Expert ("Independent Expert") to provide it with independent advice in regard to the fairness and reasonableness of the terms and conditions of the Scheme and the Offer, and to make appropriate recommendations to the Independent Board, for the benefit of NVest shareholders.
- 4.3 The Independent Board will consider the report of the Independent Expert on the fairness and reasonableness of the terms and conditions of the Scheme and will provide its opinion to Eligible Shareholders in a circular to shareholders.
- 4.4 The final full report of the Independent Expert in connection with the Scheme will be included in the Offer Circular to be distributed to Eligible Shareholders.
- 4.5 The Independent Board confirms that no other offers were received by NVest in the period of six months prior to the date of this announcement.
5. **NOTICE CONVENING AND THE SCHEME MEETING AND IMPORTANT DATES AND TIMES**  
The Circular is in the process of being prepared. Notice of the Scheme Meeting will be given in due course as well as an announcement setting out the important dates and times in relation to the Scheme.
6. **RESPONSIBILITY STATEMENT**  
The Board and the Independent Board each accepts responsibility for the information contained in this announcement to the extent that it relates to the Company. To the best of their knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of the information.

**EAST LONDON**  
29 October 2021

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**Designated Advisor**

AcaciaCap Advisors Proprietary Limited



**Independent Expert**

