

DENEB INVESTMENTS LIMITED
Registration number: 2013/091290/06
(Incorporated in the Republic of South Africa)
JSE share code: DNB
ISIN: ZAE000197398
("Deneb" or the "Company")



CATEGORY 2 DISPOSAL ANNOUNCEMENT

1. INTRODUCTION

Shareholders are advised that on 31 March 2022, the Company, through its wholly-owned subsidiary Sargas Proprietary Limited ("**Sargas**"), entered into an agreement ("**Agreement**") with G S Prospects Proprietary Limited (registration number 2021/783664/07) ("**Purchaser**"), in terms of which Sargas will dispose of the immovable property known as Erf 8980, Worcester, Breede Vallei Municipality, Western Cape Province, in extent 40,2926 hectares ("**Property**") together with the existing lease agreements in respect thereof, to the Purchaser, as a going concern, for a disposal consideration of R43 500 000 ("**Disposal Consideration**") ("**Disposal**").

2. RATIONALE FOR THE DISPOSAL

The Property is no longer being utilised for the manufacturing operations of the Company, and is accordingly not regarded as core to the Company's strategy.

3. DISPOSAL CONSIDERATION

The Disposal Consideration of R43 500 000 will be paid in cash by the Purchaser to Sargas on the Transfer Date (as defined below).

4. APPLICATION OF THE DISPOSAL CONSIDERATION

The Disposal Consideration will be used by the Company to settle outstanding debt.

5. CONDITION PRECEDENT

The Disposal is subject to the Purchaser obtaining a loan against the registration of a mortgage bond over the Property by no later than 30 April 2022.

6. EFFECTIVE DATE OF THE DISPOSAL

The effective date of the Disposal will be the date of registration of transfer of the Property into the name of the Purchaser ("**Transfer Date**"), which is anticipated as being on or about 1 August 2022.

7. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

The Agreement contains warranties, representations and undertakings by Sargas in favour of the Purchaser and by the Purchaser in favour of Sargas, which are standard for a transaction of this nature. The Property is sold on a "voetstoots" basis.

8. FINANCIAL INFORMATION

The value of the net assets comprising the Property, as at 30 September 2021, being the date of the last reviewed condensed consolidated financial results of the Company, was R42 600 000.

The profit after tax attributable to the Property for the year ended 31 March 2021, was R3 424 230, based on the management accounts of the property division of Sargas for the year ended 31 March 2021 ("**Management Accounts**").

The Company is satisfied with the quality of the Management Accounts, however, shareholders are cautioned that they are unaudited.

9. CLASSIFICATION OF THE DISPOSAL

The Disposal constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

Cape Town
1 April 2022

Sponsor
PSG Capital



PSG CAPITAL