

BRIKOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/013247/06)

JSE share code: BIK ISIN: ZAE000101945

("Brikor" or "the Company")

FIRM INTENTION OF A MANDATORY OFFER BY NIKKEL TRADING 392 PROPRIETARY LIMITED TO ACQUIRE THE ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF BRIKOR (OTHER THAN THOSE THAT NIKKEL TRADING 392 PROPRIETARY LIMITED ALREADY OWNS) AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the announcements released on SENS on 17 April 2023, 1 March 2023, 21 February 2023, 10 January 2023, 30 November 2022, and 20 October 2022, respectively, wherein Brikor Shareholders were informed that Nikkel Trading 392 Proprietary Limited ("**Offeror**" or "**NT392**") had entered into written agreements with some of the major Brikor shareholders to acquire the majority of the shares in the issued share capital of Brikor. Shareholders are also referred to the announcement on SENS on 7 September 2023 in which Brikor Shareholders were advised that NT392 was in the process of acquiring further Brikor shares.

Shareholders are advised that Brikor has been advised by NT392 that it has acquired a further 250 444 334 Brikor shares at a price of 17 cents per share, constituting 29.83% of the entire issued share capital of Brikor so that NT392 now holds a total of 537 371 338 Brikor shares constituting 64,11% of the issued share capital of Brikor.

As NT392 now owns more than 35% of the entire share capital of the Company, the Offeror is required to make a mandatory offer to all the remaining shareholders of the Company ("**Mandatory Offer**") pursuant to section 123 of the Companies Act, No.71 of 2008 ("**Companies Act**").

Accordingly, the terms of the Mandatory Offer that will be made to shareholders of Brikor are set out in this firm intention announcement ("**Announcement**").

The Mandatory Offer is an affected transaction in terms of section 117 of the Companies Act. Therefore, the Mandatory Offer will be regulated by the Companies Act, the Companies Regulations, 2011, promulgated in terms of the Companies Act ("**Regulations**") and the Takeover Regulation Panel ("**TRP**").

The purpose of the Announcement is to advise Brikor shareholders of the Mandatory Offer, the identity of the offeror and the terms of such offer as required in terms of section 123 of the Companies Act, read with Regulation 101.

2. THE MANDATORY OFFER

The Mandatory Offer will be made in terms of section 123 of the Companies Act and Regulations 86. The terms of the Mandatory Offer to be made by the Offeror to all the Brikor shareholders are detailed below.

3. TERMS OF THE MANDATORY OFFER

3.1 Offer Consideration

The Offeror shall make an offer to acquire all of the remaining ordinary shares in Brikor not already held by it, for a cash offer consideration of 17 cents per Brikor ordinary share ("**Offer Consideration**"). Brikor shareholders may elect to accept the Mandatory offer in whole or part.

The Mandatory Offer will be governed by and construed in accordance with the laws of South Africa and shall be subject to the exclusive jurisdiction of the South African courts.

The Mandatory Offer does not constitute an offer to purchase or the solicitation of an offer to sell any Brikor shares in any jurisdiction in which such Mandatory Offer, solicitation or sale would be unlawful prior to the registration or qualification under the laws of such jurisdiction.

Settlement of the Offer Consideration will be implemented in accordance with the terms of the Mandatory Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any shareholder which holds Offer Shares ("**Offer Shareholder**").

The Offeror reserves the right to invoke the compulsory acquisition provisions set out in section 124 of the Companies Act. Should the Offer Shareholders holding at least 90% of the Offer Shares accept the Offer, the Offeror shall be entitled to acquire the remaining Offer Shares in respect of which the Offer was not accepted on the same terms applied to the Offer Shares whose holders accepted the terms of the Mandatory Offer.

3.2 Cash Confirmation

The Offeror has, in accordance with Regulations 111(4) and 111(5) provided the TRP, to its satisfaction, with an irrevocable unconditional guarantee in the amount of R27 552 816.47 excluding the consideration accruing to the Brikor shares held by the Chief Executive Officer, Garnett Parkin, as further explained in paragraph 7 below, issued by Bidvest Bank Limited on 7 September 2023 in favour of the Offer Shareholders for the sole purpose of fully satisfying the Offer Consideration, pursuant to the Mandatory Offer.

4. CONDITIONS PRECEDENT TO THE MANDATORY OFFER

The implementation of the Mandatory Offer is not subject to any conditions precedent, provided that it shall not be implemented until such time as the JSE Limited ("**JSE**") grants its approval thereof in terms of the JSE Listings Requirements and the TRP of the Mandatory offer circular and the TRP having issued a compliance certificate in respect of the Mandatory Offer in terms of section 119(4)(b) of the Companies Act.

5. OFFEROR'S BENEFICIAL INTEREST IN BRIKOR

The Offeror at 11 September 2023 held 537 371 338 Brikor ordinary shares, constituting 64.11% of the entire issued share capital of Brikor.

6. POSTING OF MANDATORY OFFER CIRCULAR

A combined circular containing full details of the Mandatory Offer, including the terms thereof and pertinent details relating thereto, will be distributed to shareholders in due course and in any event within 20 business days from the date of this Announcement, as specified by the Regulations.

The salient dates in relation to the Mandatory Offer will be published on SENS prior to the issuing of the aforementioned Mandatory Offer circular.

7. **ARRANGEMENT, AGREEMENTS AND UNDERTAKINGS**

Garnett Parkin, the chief executive officer of Brikor, holds 107 167 923 Brikor Shares as at the date of this Announcement. Garnett Parkin has entered into an undertaking with NT392 in terms of which he irrevocably undertook not to participate in the Mandatory Offer as the Mandatory Offer will be extended to Brikor shareholders during a closed period of Brikor pursuant to the JSE Listings Requirements. Garnett and NT392 may, outside this closed period, enter into a subsequent transaction in terms of which Garnett may sell some or all of his Brikor Shares to NT392 on terms and conditions similar to that of the Mandatory Offer in compliance with section 127 of the Companies Act.

No beneficial shareholders of the Offeror indirectly or directly hold any of the ordinary shares in Brikor save for the 537 371 338 shares mentioned in paragraph 5 above.

Save as disclosed above, there are no arrangements, agreements or undertakings between NT392, Brikor, and any director of Brikor or any person who was a director of Brikor in the previous 12 months, or any shareholder of Brikor or any person who was a shareholder of Brikor in the previous 12 months, that is material to the Mandatory Offer.

8. **OPINIONS AND RECOMMENDATIONS OF INDEPENDENT BOARD**

The Brikor board of directors has constituted an independent board of directors comprising Allan Pellow, Steve Naudé, and Mamsy Mokate as required in terms of the Companies Act and Regulations ("**Independent Board**"). The Independent Board will appoint an independent expert to provide the Independent Board with external advice to inform its assessment of the Mandatory Offer and to make the necessary recommendations for the benefit of Offer Shareholders. The opinion of the Independent Expert will be detailed in the Offer Circular to be distributed to Offer Shareholders in relation to the Mandatory Offer.

9. **DIRECTORS RESPONSIBILITY STATEMENT**

9.1 NT392, insofar as the information in this Announcement relates to NT392:

- accepts full responsibility for the accuracy of the information contained in this Announcement;
- confirms that, to the best of its knowledge and belief, the information in this Announcement is true and correct; and
- confirms that this Announcement does not omit anything likely to affect the importance of the information disclosed.

9.2 The Independent Board, insofar as the information in this Announcement relates to Brikor:

- accepts full responsibility for the accuracy of the information contained in this Announcement;
- confirms that, to the best of its knowledge and belief, the information contained in this Announcement is true and correct; and
- confirms that this Announcement does not omit anything likely to affect the importance of the information disclosed.

10. **WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

Shareholders are advised that they no longer need to exercise caution when dealing in Brikor shares.

12 September 2023

Nigel

Designated Adviser

Exchange Sponsors