

## **Nutritional Holdings Limited**

(Incorporated in the Republic of South Africa)

(Registration number 2004/002282/06)

Share code: NUT ISIN Number: ZAE000156485

("NUT" or "the Company")

## **Baphalane Ba Mantserre Investment Holdings Proprietary Limited**

(Registration number 2013/068211/07)

("BMIH" or the "the Subscriber")

# **JOINT ANNOUNCEMENT OF THE FIRM INTENTION TO MAKE A MANDATORY OFFER TO NUT SHAREHOLDERS BY BMIH**

## **1. INTRODUCTION**

- 1.1. NUT shareholders are referred to the various announcements released on SENS as well as the rights offer circular wherein they were advised that BMIH had underwritten a NUT rights offer for R10 million at a price of R0.001 per share ("**the Rights Offer**").
- 1.2. NUT shareholders are hereby advised that BMIH has by virtue of it underwriting the Rights Offer, subscribed for 9 195 482 060 ordinary shares in NUT resulting in BMIH owning 66.91% of NUT shares at a price of R0.001 per share. Therefore, in terms of section 123 of the Companies Act, 2008 as amended ("**the Act**"), BMIH is required to make a mandatory offer to all remaining shareholders of NUT ("**Mandatory Offer**").
- 1.3. Accordingly, the terms of the Mandatory Offer that will be made to the shareholders of NUT are set out in this joint firm intention announcement ("**Joint Announcement**").
- 1.4. As at the date of this Joint Announcement, BMIH holds 9 195 482 060 ordinary shares in NUT or 66.91% of the issued share capital of NUT.
- 1.5. The Mandatory Offer is an affected transaction as defined in section 117 of the Act. Therefore, the Mandatory Offer will be regulated by the Act, the Companies Regulations, 2011 ("**Companies Regulations**") and the Takeover Regulation Panel ("**TRP**").

## **2. RATIONALE FOR THE MANDATORY OFFER**

The rationale for the Mandatory Offer is for BMIH to provide all NUT shareholders, who no longer wish to remain as shareholders in the Company, with an offer to acquire their NUT shares in order to take up a greater shareholding in NUT going forward.

## **3. TERMS OF THE MANDATORY OFFER**

- 3.1. In terms of the Mandatory Offer, BMIH shall offer to acquire all NUT ordinary shares held by NUT shareholders in exchange for the Mandatory Offer consideration of 0.1 (zero point one) cents per share ("**Mandatory Offer Consideration**"). NUT shareholders may elect to accept the Mandatory Offer in whole or in part.

3.2. The Mandatory Offer Consideration of R0.001 (zero point one) cents per share surrendered in terms of the Mandatory Offer shall be payable in cash.

3.3. The Mandatory Offer consideration is the same consideration paid by BMIH when it acquired its interest in NUT.

#### **4. Cash Confirmation**

The TRP has been given appropriate written confirmations as contemplated in Regulation 111(4) of the Companies Act Regulations, from Fasken attorneys, situated at Inanda Greens, 54 Wierda Road West, Sandton, 2196 that BMIH has sufficient cash resources and/or facilities available to meet its cash commitments to NUT Shareholders in relation to the Mandatory Offer.

#### **5. Amendment or Variation of the Mandatory Offer**

No amendment or variation of the Mandatory Offer shall be valid unless it is agreed to by BMIH in writing and approved by the TRP, provided that BMIH shall not agree to any amendment or variation that has the effect of reducing the Mandatory Offer Consideration.

#### **6. No Set-Off of Mandatory Offer Consideration**

Settlement of the Mandatory Offer Consideration pursuant to the Mandatory Offer will be implemented in full in accordance with the terms of the Mandatory Offer without regard to any lien, right of set-off, counterclaim, deduction, withholding or other analogous right to which the BMIH may otherwise be, or claim to be, entitled against any NUT Shareholder.

#### **7. Mandatory Offer not made where unlawful**

The Mandatory Offer does not constitute an offer to purchase or the solicitation of an offer to sell any NUT 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.

#### **8. Governing Law**

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.

#### **9. UNCONDITIONAL MANDATORY OFFER**

The Mandatory Offer will not be subject to any conditions precedent.

#### **10. ARRANGEMENTS, AGREEMENTS AND UNDERTAKINGS**

10.1. The following beneficial shareholders of NUT indirectly or directly holding:

- RS Etchells, 61 000 000 shares;

- Miss C Smit, 125 784 415 shares;
- Imuniti Holdings Employee Share Incentive Trust, 90 000 000 shares;
- Etchells Family Trust, 47 428 088 shares;
- JA Etchells, 49 793 491 shares;
- Pop-Up Trading 39 Pty Limited, 111 845 015 shares;
- AR Pinfold, 339 238 579 shares;
- Kenosi Holdings Pty Limited, 310 000 000 shares; and
- Philisani Pty Limited, 1 000 000 000 Shares,

comprising of a total of 2 135 089 588 of the ordinary shares in NUT or 15.54% of the issued share capital of NUT have signed irrevocable undertakings not to accept the Mandatory Offer.

- 10.2. Save for set out above there are no arrangements, agreements or undertakings between BMIH, NUT, any director of NUT, any person who was a director of NUT in the previous 12 months, any shareholder of NUT or any shareholder of NUT in the previous 12 months, that is material to the Mandatory Offer.

## **11. OPINIONS AND RECOMMENDATIONS**

As required in terms of the Companies Act and the Companies Regulations, NUT has constituted an independent board, comprising of Dr PJ Mokgothu, Ms PM Chabeli and Mr A Pinfold (the "NUT Independent Board"). The NUT Independent Board has appointed Mazars as the independent expert to provide the NUT Independent Board with external advice in regard to the Mandatory Offer and to make appropriate recommendations to the NUT Independent Board for the benefit of NUT Shareholders. The substance of the external advice and the views of the NUT Independent Board will be detailed in the joint circular referred to below

## **12. FURTHER DOCUMENTATION AND SALIENT DATES**

- 12.1. Further details of the Mandatory Offer will be included in a joint Mandatory Offer circular which is expected to be posted to NUT shareholders on or about 10 October 2018.
- 12.2. The salient dates in relation to the Mandatory Offer will be published on SENS prior to the issuing of the aforementioned joint Mandatory Offer circular.

## **13. DIRECTORS RESPONSIBILITY STATEMENT**

- 13.1. The directors of BMIH, insofar as the information in this Joint Announcement relates to BMIH:
- 13.1.1. Collectively and individually accept full responsibility for the accuracy of the information given in this Joint Announcement;
  - 13.1.2. Certify that, to the best of their knowledge and belief, the information in this Joint Announcement is true and correct; and

- 13.1.3. Certify that, the Joint Announcement does not omit anything likely to affect the importance of the information disclosed.
- 13.2. The independent board of NUT, insofar as the information in this Joint Announcement relates to NUT:
- 13.2.1. Collectively and individually accept full responsibility for the accuracy of the information given in this Joint Announcement;
  - 13.2.2. Certify that, to the best of their knowledge and belief, the information in this Joint Announcement is true and correct; and
  - 13.2.3. Certify that, the Joint Announcement does not omit anything likely to affect the importance of the information disclosed.

Durban

12 September 2018

Corporate Advisor to NUT and BMIH and Designated Advisor to NUT

PSG Capital



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