



NICTUS LIMITED

Incorporated in the Republic of South Africa
Registration number: 1981/011858/06
JSE share code: NCS • ISIN: NA0009123481
("Nictus" or "the Company" or "the Group")

SPECIFIC REPURCHASE OF 12 826 440 ORDINARY SHARES, POSTING OF CIRCULAR AND NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

Nictus shareholders ("Nictus Shareholders") are advised that Nictus and Nictus Holdings Limited ("NHL"), a public company listed on the Namibian Stock Exchange, have entered into an agreement, dated 27 August 2018 ("Repurchase Agreement"), in terms of which Nictus will repurchase 12 826 440 ordinary shares (the "Repurchase Shares") in the share capital of Nictus from NHL ("Repurchase").

The Repurchase will be undertaken in accordance with section 48(8)(b) and section 114, read with sections 115 and 164 of the Companies Act, No. 71 of 2008, as amended ("Companies Act") and its regulations ("Regulations") and paragraph 5.69 of the Listings Requirements of the JSE Limited ("Listings Requirements").

A circular setting out the details of the Repurchase ("Circular") and incorporating a notice convening a special general meeting of Nictus Shareholders to approve the special and ordinary resolutions required to implement the Repurchase ("Special General Meeting") will be distributed to Nictus Shareholders on or about Tuesday, 25 September 2018.

2. DETAILS OF THE REPURCHASE

2.1 Terms of the Repurchase

The Repurchase will be undertaken at a price of 58,25 cents per Repurchase Share ("Repurchase Price") on the implementation date, on or about Monday, 12 November 2018 ("Implementation Date"). The Repurchase Price represents a discount of 4,32% to the weighted average traded price of the Nictus ordinary shares ("Nictus Shares") measured over the 30 business days prior to Monday, 27 August 2018, the date on which the Repurchase Price was agreed in writing between Nictus and NHL in terms of the Repurchase Agreement, of 60,88 cents per Nictus Share. The repurchase consideration will amount to R7 471 401,30 ("Repurchase Consideration").

The payment of the Repurchase Consideration by Nictus will be from contributed tax capital. Nictus will call for a cash amount equal to the Repurchase Consideration, and the expenses relating to the Repurchase, from a loan granted to Nictus Holdings.

The Repurchase Shares will be delisted and cancelled on the Implementation Date.

2.2 Rationale

During 2012, an unbundling transaction took place whereby NHL was unbundled from Nictus. As a result of the unbundling, NHL acquired a 19,35% shareholding in Nictus. Since 2015, Nictus has been profitable on an annual basis and maintained a consistent dividend distribution to Nictus Shareholders. Nictus formulated a long-term strategy to become a sought-after wealth creator for all stakeholders. The Repurchase is one of the steps Nictus is taking as part of the execution of this strategy with the direct result being the creation of additional Nictus Shareholder value, as illustrated in the pro forma financial information presented in paragraph 3 below.

2.3 Conditions precedent

The Repurchase is subject to the following conditions precedent:

- JSE and Takeover Regulation Panel ("TRP") approval of the necessary Circular to Nictus Shareholders in compliance with the Listings Requirements and the Companies Act;
- the passing of a special resolution, in accordance with the requirements of sections 48(8)(b), 114 and 115 of the Companies Act and paragraph 5.69(c) of the Listings Requirements at the Special General Meeting, by the requisite majority of holders of Nictus Shares other than those held by the Tromp family, as detailed in paragraph 2.4 below ("Independent Nictus Shareholders");
- in the event where the provisions of section 115(2)(c) of the Companies Act become applicable, the High Court of South Africa ("Court") approving the Repurchase, providing the Company has not treated the Repurchase resolution as a nullity in terms of section 115(5)(b) of the Companies Act;
- the Board not having resolved at the time of the Special General Meeting to revoke the Repurchase resolution in circumstances where more than 5% of the Independent Nictus Shareholders have, in terms of section 164(3) of the Companies Act, objected to the Repurchase;
- the Board not having resolved at the time of the Special General Meeting to revoke the Repurchase resolution in circumstances where more than 5% of the Independent Nictus Shareholders have exercised their appraisal rights in terms of, and in compliance with, section 164(5) of the Companies Act;
- the Board not having resolved to treat the Repurchase resolution as a nullity in terms of section 115(5)(b), in the circumstances where the Repurchase resolution was opposed by, at least 15% of the voting rights that were exercised at the Special General Meeting and, within 5 Business Days of the Special General Meeting, any Independent Nictus Shareholder who voted against the Repurchase resolution requiring the Company to seek Court approval; and
- the issuance of a compliance certificate by the TRP in terms of section 119(4) (b) of the Companies Act read together with regulation 102(13) in relation to the Repurchase.

2.4 Interests in Nictus and NHL shares

At the date of this announcement, Nictus had no interest in any listed securities of NHL and NHL held the Repurchase Shares (equivalent to 19,35% of the total issued Nictus Shares) in Nictus.

At the date of this announcement, Nicolaas Cornelius Tromp, Gerard Rochelle de Villiers Tromp and Philippus Johannes de Witt Tromp and their associates, as defined in the JSE Listings Requirements (the "Tromp Family"), controlled 80,96% of the Nictus Shares and 57,05% of NHL's shares.

Although not an "acquiring party" as defined in the Companies Act, or persons related to an acquiring party, or persons acting in concert with either of them, the Nictus Shares held by the Tromp Family, including the Tromp Family's Nictus Shares held through NHL, will not be included in calculating the percentage of voting rights

- required to be present, or actually present, in determining whether the applicable quorum requirements for the Special General Meeting are satisfied; or
- required to be voted in support of a resolution, or actually voted in support of the resolution.

2.5 Nictus Shareholder approval

As the Repurchase is being undertaken in terms of section 114 of the Companies Act, Independent Nictus Shareholders, are required to pass a special resolution to authorise Nictus to undertake the Repurchase. In addition, the Independent Nictus Shareholders are required to approve the Repurchase in terms of paragraph 5.69(b) of the JSE Listings Requirements.

3. PRO FORMA FINANCIAL INFORMATION

The pro forma financial effects of the Repurchase are provided for illustrative purposes only and, because of their nature, may not fairly present the Group's financial position or results of its operations.

The pro forma financial information has been prepared to illustrate the impact of the Repurchase on the assumption that the Repurchase took place on 1 April 2017 for statement of profit or loss and other comprehensive income purposes and 31 March 2018 for statement of financial position purposes.

The pro forma financial information has been prepared using the accounting policies of Nictus which comply with IFRS and are consistent with those applied in Nictus' annual financial statements for the year ended 31 March 2018.

The pro forma financial information is the responsibility of the Nictus board of directors ("Nictus Board").

	Before the Repurchase	After the Repurchase	% change
Earnings per Nictus Share ("EPS")	8,17	8,98	10
Diluted earnings per Nictus Share ("DEPS")	8,17	8,98	10
Headline earnings per Nictus Share ("HEPS")	8,17	8,98	10
Diluted headline earnings per Nictus Share ("DHEPS")	8,17	8,98	10
Net asset value per Nictus Share ("NAV")	1,55	1,77	14
Net tangible asset per Nictus Share ("NTAV")	1,55	1,77	14
Number of Nictus Shares in issue	66 269 940	53 443 500	(19)
Weighted average number of Nictus Shares in issue	66 269 940	53 443 500	(19)

Notes:

- The "Before the Repurchase" financial information has been extracted, without adjustment, from the published financial information of Nictus for the year ended and as at 31 March 2018.
- The "After the Repurchase" EPS, DEPS, HEPS and DHEPS include an adjustment for the reduction in interest earned by Nictus due to Nictus calling for a cash amount equal to the Repurchase Consideration and the amount required to settle the expenses relating to the Repurchase, from the loan granted to NHL.

The interest adjustment has been calculated using an interest rate of 10,32%, being the average South African prime interest rate for the period 1 April 2017 to 31 March 2018. Taxation has been adjusted for the interest adjustment. These adjustments will have a continuous effect on the Nictus statement of profit or loss and other comprehensive income.

3. The "After the Repurchase" NAV and NTAV per Nictus Share include adjustments to cash and cash equivalents and loans and receivables for the Repurchase Consideration amounting to R7,471 million and the transaction costs amounting to R795 000.

4. Stated capital have been decreased by the amount originally paid by Nictus Holdings for the Repurchase Shares and the expenses relating to the Repurchase which have been capitalised in terms of IAS 32: Financial Instruments Presentation, amounting to R22,741 million, and retained earnings has been increased for the gain on the Repurchase amounting to R14,475 million.

5. The weighted average number of Nictus Shares in issue and the number of Nictus Shares in issue have been adjusted for the repurchase of the 12 826 440 Nictus Shares in terms of the Repurchase.

4. OPINIONS AND RECOMMENDATIONS

As required in terms of the Companies Act and the Regulations, the Nictus Board has identified those members of the Nictus Board, namely Prof. Barend Johannes Willemse, Gerard Swart and John Day Mandy, who are independent ("Independent Board") for purposes of evaluating the Repurchase.

The independent Board has appointed BDO Corporate Finance Proprietary Limited ("Independent Expert") in terms of section 114 of the Companies Act, regulation 90 of the Regulations and section 5.69 of the JSE Listings Requirements, to provide a fair and reasonable opinion in regard to the Repurchase ("Opinion") and to make appropriate recommendations to the Independent Board for the benefit of the Independent Nictus Shareholders. In this regard, the Independent Expert has advised the Independent Board that it has considered the terms and conditions of the Repurchase and is of the opinion that these terms and conditions are fair and reasonable to Independent Nictus Shareholders. The text of the Opinion and the views of the Independent Board will be detailed in the Circular.

5. RECOMMENDATION OF THE INDEPENDENT BOARD

The Independent Board, taking into account the Opinion of the Independent Expert, has considered the terms and conditions of the Repurchase and is unanimously of the opinion that the terms and conditions of the Repurchase are fair and reasonable to Independent Nictus Shareholders. In particular, the Independent Board has considered the fair value range determined by the Independent Expert and is in agreement with the fair value range so determined and has placed reliance on the valuation performed by the Independent Expert.

Accordingly, the Independent Board recommends that Independent Nictus Shareholders vote in favour of the resolutions to be proposed at the Special General Meeting. Those Independent Board members who hold Nictus Shares intend to vote in favour of the resolutions to be proposed at the Special General Meeting, to be held in the boardroom, Nictus Building, Corner of Dover and Pretoria Street, Randburg on Wednesday 24 October 2018 at 11:00.

6. IRREVOCABLE UNDERTAKINGS

Nictus has secured irrevocable undertakings from the parties listed below, representing approximately 30,37% of voting Nictus Independent Shareholders, to vote in favour of the resolutions at the Special General Meeting.

Nictus Independent Shareholder	Number of Nictus Shares at the date of this announcement	%
Franke Trust	1 304 190	10,34
Oreon Place Investments Proprietary Limited	1 000 000	7,93
Haida Investments cc	941 144	7,46
Wilbur Okkie Izaaks	413 586	3,28
Hartman Eckhart Prozesky	172 000	1,36
Total	3 830 920	30,37

7. FUNDING OF THE REPURCHASE CONSIDERATION AND CASH CONFIRMATION

Nictus will fund the Repurchase Consideration out of cash resources and has provided a written confirmation from Corporate Guarantee (South Africa) Limited to the TRP that the Company has the cash resources necessary to meet their obligations under the Repurchase.

8. INDEPENDENT BOARD'S RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this firm intention announcement and confirms that, to the best of its knowledge and belief, the information is true and does not omit anything likely to affect the importance of the information.

9. SALIENT DATES

The salient dates of the Repurchase are as follows:

	2018
Record date to be entitled to receive notice of the Special General Meeting	Friday, 17 September
Circular posted to Nictus Shareholders on	Tuesday, 25 September
Last day to trade Nictus Shares in order to be eligible to participate and vote at the Special General Meeting	Tuesday, 16 October
Record date to be entitled to participate in and vote at the Special General Meeting	Friday, 19 October
Forms of proxy for the Special General Meeting must be received by 11:00 on	Monday, 22 October
Last date and time for Independent Nictus Shareholders to give notice to Nictus regarding to the special resolution approving the Repurchase if the Repurchase resolution was proposed or if proposed and not retracted or treated as a nullity by 11:00 on	Wednesday, 24 October
Special General Meeting to be held at 11:00 on	Wednesday, 24 October
Results of the Special General Meeting released on SENS on	Wednesday, 24 October

If the Repurchase is approved by Nictus Shareholders at the Special General Meeting

Last date for Independent Nictus Shareholders who voted against the Repurchase to require the Company to seek Court approval for the Repurchase in terms of section 115(3) of the Companies Act, if at least 15% of the total votes of Nictus Shares at the Special General Meeting were exercised against the Repurchase

Last day for the Company to send notice of adoption of the Repurchase resolution to Independent Nictus Shareholders who validly exercise their appraisal rights in accordance with section 164(4) of the Companies Act

Last day for Independent Nictus Shareholders who voted against the Repurchase to apply to Court for leave to apply to the Court for a review of the Repurchase in terms of section 115(3)(b) of the Companies Act

Expected unconditional date of the Repurchase

Expected Implementation Date of the Repurchase

Notes

- These dates and times are subject to amendment. Any such amendment will be released on SENS.

10. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Nictus Shareholders are advised that the cautionary announcement has been withdrawn.

Randburg
28 August 2018

Sponsor on the JSE and Legal Advisor



Independent Expert



Reporting accountant to Nictus

