
Sebata Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1998/003821/06)
Share code: SEB ISIN: ZAE000034435
("Sebata")

DISPOSAL OF FRESHMARK SYSTEMS

1. INTRODUCTION

Shareholders are advised that on 15 December 2022, Sebata entered into a sale of shares agreement ("**the Agreement**") with Hellochoice Proprietary Limited ("**the Purchaser**"), to dispose of its 55% controlling stake in Freshmark Systems Proprietary Limited ("**Freshmark Systems**") comprising 55 ordinary shares of R1.00 each ("**Sale Shares**"), for a purchase consideration of R24 750 000 ("**Purchase Price**"), as further set out below ("**the Disposal**").

2. THE DISPOSAL

2.1 Nature of the Freshmark Systems business

Freshmark Systems is a leading provider of Information Management Systems, specifically designed for the South African fresh produce markets. Since its incorporation in 1987, Freshmark Systems has played a leading role in the development and growth of the industry, having pioneered the computerisation of these markets.

2.2 Details pertaining to the Purchaser

The Purchaser, whose directors are GE Jacobs, GI Jarvie, WD Berger, K Wolk and LJ van Ravesteyn, is beneficially owned by Amelka Investments Proprietary Limited, Brite Capital Proprietary Limited, iShack Ventures Proprietary Limited and the Standard Bank of South Africa Limited.

2.3 Rationale for the Disposal

As communicated in previous SENS announcements, the Disposal is in line with the Sebata board of directors' ("**Board**") strategy to dispose of a number of its businesses and return the proceeds to shareholders.

2.4 Purchase Price and application of sale proceeds

The Purchase Price for the Sale Shares is payable by the Purchaser to Sebata in cash in full on the third business day after the last of the suspensive conditions referred to in paragraph 2.5 below is fulfilled ("**Closing Date**").

The Board intends to distribute the net proceeds to shareholders.

2.5 Suspensive conditions and effective date

2.5.1 The Disposal is subject to the fulfilment of the following suspensive conditions by no later than 28 February 2023, or such later date as the parties to the Agreement ("**Parties**") may agree in writing:

- 2.5.1.1 the Purchaser completing a due diligence to its satisfaction in relation to Freshmark Systems and its business;
- 2.5.1.2 the Purchaser obtains approval for the Disposal by its board of directors;
- 2.5.1.3 Sebata obtains approval of the Disposal from its Board;

- 2.5.1.4 to the extent necessary (if at all), Freshmark Systems has obtained the approvals of third parties with whom it has contracted, of the change of control of the Freshmark Systems;
- 2.5.1.5 no inter-company loan account amounts are due or payable between the Sebata and Freshmark Systems as at the Closing Date, which specifically includes the dividend to be declared to distribute profits that arose during the 2022 financial year;
- 2.5.1.6 The Purchaser has concluded a joint venture agreement with Sebata's nominee on terms satisfactory to both Sebata and the Purchaser to create a cashless transactional environment within Freshmark Systems' clients and the markets that they serve ("**the Joint Venture**"). The Purchaser and Sebata's nominee will hold 30% and 70%, respectively of the equity in the Joint Venture. The Purchaser must, by no later than the Closing Date, procure that access is granted by Freshmark Systems to the Joint Venture, to Freshmark Systems' database in order to facilitate the operations of the Joint Venture, on terms acceptable to the Parties;
- 2.5.1.7 Freshmark Systems' Memorandum of Incorporation is amended, so as to delete current article 3 thereof - Obligations under the Shareholders agreement – which deals with shareholders' conduct;
- 2.5.1.8 such statutory and regulatory approvals that may be required are obtained and to the extent that the approval of such authorities is conditional, the Parties agreeing in writing to such conditions.

2.5.2 The effective date of the Disposal will be the Closing Date.

The Agreement contains warranties and undertakings which are standard for a disposal of this nature.

3. FINANCIAL INFORMATION

The audited value of the net assets of Freshmark as at 31 March 2022 was R20.5 million.

The audited profit after tax attributable to Freshmark for the year ended 31 March 2022 was R3.9 million.

The financial statements were prepared in accordance with International Financial Reporting Standards and the Companies Act, 2008 (Act 71 of 2008), as amended.

4. CLASSIFICATION OF THE DISPOSAL

The Disposal is categorised as a Category 2 transaction in terms of the Listings Requirements of the JSE Limited.

Johannesburg
15 December 2022

Sponsor and Corporate Advisor
Merchantec Capital