

Press Release

INVICTA TO DISPOSE OF CERTAIN CAPITAL EQUIPMENT GROUP BUSINESSES TO CNH INDUSTRIAL

20 July 2020: Invicta Holdings Limited (Invicta), the investment holding and management company, announced today that it has reached an agreement with CNH Industrial SA (CNH Industrial) to dispose of four businesses owned by Humulani Marketing (Pty) Ltd (Humulani), a subsidiary of Invicta and which forms part of the Capital Equipment Group (CEG) reporting segment. The businesses being sold are Northmec, CSE, NHSA and Landboupart, and, subject to certain conditions precedent, will be effective 1 January 2021. This is a Category 1 transaction in terms of the JSE Listings Requirements.

The consideration will be equal to the unaudited tangible net asset value excluding interest-bearing debt (NAV) of the operations (the NAV Consideration), being approximately R507 million as at 31 March 2020, plus an additional US\$6 million for goodwill (collectively, the Disposal Consideration). The NAV Consideration will be payable over a period of 90 days and the goodwill of US\$6 million will be payable over three years. The conditions precedent include, inter alia, shareholder approval by both parties and Competition Commission approval.

CNH Industrial N.V., the parent company of CNH Industrial, is an Italian-American Dutch-domiciled multinational corporation listed on the NASDAQ. The holding company is present in all major markets worldwide and, inter alia, designs, produces and sells agricultural equipment and construction equipment (Case and New Holland brand families) as well as trucks, commercial vehicles, busses and special vehicles (Iveco).

CNH Industrial aims to continue with its strategy of having a direct operational footprint and infrastructure in South Africa for the selling of world class products in both South Africa and the southern African market. CNH Industrial therefore shares CEG's strategy and is a perfect synergistic fit from a brand and customer perspective.

The four businesses being sold are:

- Landboupart – a distributor of replacement spare parts for the agricultural and industrial markets for brands such as Massey Ferguson, Landini, John Deere, Perkins, IH (Melrose) and Carraro. Landboupart supplies a wide range of quality agricultural spare parts ranging from tractor parts, engine parts, filters and drivetrains, to planters parts.
- Northmec – a supplier of farming equipment in South Africa, distributing a full range of agricultural machinery, implements and related Original Equipment Manufacturers (OEM) spare parts for brands such as Case IH, and many other quality internationally known brands. Northmec's product range includes tractors, mowers, combine harvesters, windrowers, cultivators, grain/corn headers, balers, ploughs and sprayers.
- CSE – engaged in the distribution of Case earthmoving and construction equipment, turf-grooming machinery, utility vehicles and related OEM spare parts. CSE specialises in distributing, inter alia, Case and Dynapac branded equipment, including tractor

loader backhoes, skid steer loaders, tele-handlers, crawler excavators, front end loaders and graders.

- NHSA - NHSA is a supplier of OEM and Non-OEM spare parts for brands such as Fiat, Ford, Braud, Carraro and NewPart. NHSA's product range includes tractor parts, combine harvester parts, baler parts, grape harvester parts and axle parts.

The above businesses recorded estimated unaudited earnings before interest, tax, depreciation and amortisation (EBITDA) of approximately R104 million and profit after tax of R83 million for the year ended 31 March 2020.

Steven Joffe, Chief Executive Officer of Invicta, concluded: *"We are pleased to announce this transaction as it allows Invicta to apply the Disposal Consideration to reduce the Group's most expensive debt, thereby realigning its funding structure and enabling the Company to focus on other strategic initiatives and its core operations."*

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Issued and released by: **Keyter Rech Investor Solutions**
Marlize Keyter 083 701 2021

Issue date: 20 July 2020

JSE code: IVT

Web-site: www.invictaholdings.co.za
