

Invicta Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1966/002182/06)  
Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773  
Preference Share code: IVTP Preference Share ISIN: ZAE000173399  
("Invicta" or the "Company")

## **ACQUISITION OF THE KMP HOLDINGS GROUP OF COMPANIES**

### **1. INTRODUCTION**

Invicta is pleased to advise that on 01 January 2022 ("Completion Date"), the Company and its subsidiary, Invicta Global PLC ("IVTG"), entered into an agreement (the "Agreement") with International Holdings and Investments SA and Mr. Chen Chin Linn (collectively, the "Sellers") to purchase all of the share capital of KMP Holdings Limited ("KMP"). In terms of the Agreement, IVTG has acquired 100% of the issued share capital of and shareholders loans payable by KMP from the Sellers ("the Acquisition").

### **2. DESCRIPTION OF KMP**

KMP is a leading independent supplier of aftermarket heavy-duty diesel engine parts for industrial and agricultural machinery. KMP's main distribution facilities are located in Chertsey (UK) as well as Houston and Miami (USA). KMP was established more than 20 years ago and has a global customer base actively selling in more than 150 countries worldwide. KMP-branded products include aftermarket parts sourced from over 300 regular suppliers which are suitable for Komatsu®, Caterpillar®, Cummins®, Perkins®, Detroit Diesel® and John Deere® engines. KMP has been a specialist provider of diesel engine spare parts suitable for Komatsu® since 1994, Caterpillar® since 1996, Cummins® since 1994 and Perkins® since 2014.

KMP-branded parts are widely recognised in the global aftermarket industry for their high quality, reliability and value.

### **3. RATIONALE FOR THE ACQUISITION**

Part of Invicta's strategic focus is to diversify into new geographical areas in the industries and markets in which Invicta has significant experience and strong management capabilities. As such, KMP fits this profile. The Invicta subsidiary, Equipment Spare Parts Africa (Pty) Ltd, is a major customer of KMP and, as such, the Acquisition will provide cross training and skilling opportunities, as well as potential economies of scale.

### **4. PURCHASE CONSIDERATION**

The purchase consideration for the Acquisition is GBP12,500,000 or an equivalent R269,396,552 based on a ZAR/GBP exchange rate of 1:0.0464 as at 31 December 2021 ("Purchase Consideration"). The Purchase Consideration will be adjusted on the basis of a GBP1 up or downward adjustment for every GBP1 difference between KMP's net asset value and the amount of GBP10,000,000.00 on the Completion Date.

The Purchase Consideration will be discharged as follows:

- 4.1 GBP10,000,000.00 (ten million GBP) on the Completion Date;
- 4.2 GBP2,000,000 (two million GBP), within 45 (forty-five) calendar days from the Completion Date; and
- 4.3 a maximum of GBP500,000 (five hundred thousand GBP) will be used for the upward or downward adjustment of the Purchase Consideration based on KMP's net asset value relative to GBP10,000,000.00 (ten million GBP) at the Completion Date as described above.

## **5. CONDITIONS PRECEDENT**

There are no conditions precedent applicable for the Acquisition as the Acquisition became effective on the Completion Date.

## **6. IMPLEMENTATION DATE OF THE ACQUISITION**

The Acquisition was implemented on the Completion Date.

## **7. FINANCIAL INFORMATION**

The value of the net assets and the profits attributable to the net assets that are the subject of the Acquisition are as follows:

- 7.1 consolidated net profit of GBP1,164,847 for the period 1 January 2020 to 31 December 2020; and
- 7.2 net asset value of GBP10,081,662 million at 31 December 2020.

The financial information has been extracted from the audited consolidated annual financial statements of the KMP Holdings Limited Group, which were prepared in terms of Financial Reporting Standard 102, the financial reporting standard in the UK and the Republic of Ireland (United Kingdom Generally Acceptable Accounting Standards).

## **8. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT**

The Agreement contains further representations and warranties by the Sellers in favour of IVTG which are customary for a transaction of this nature.

## **9. CLASSIFICATION OF THE ACQUISITION**

The Acquisition constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

Johannesburg  
03 January 2022

Acting Company Secretary:  
R Cloete, on behalf of Acorim

Transaction Sponsor:  
Nedbank Corporate and Investment Banking, a division of Nedbank Limited