



NWK LIMITED

Incorporated in the Republic of South Africa

Registration Number: 1998/007577/06

4AX Share Code: 4ANWK

ISIN: ZAE ZAE400000010

("NWK" or "the Company")

Formal Notice:

LISTING BY WAY OF INTRODUCTION OF NWK ON 4 AFRICA EXCHANGE PROPRIETARY LIMITED

27 September 2017

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1. INTRODUCTION

- 1.1 An application has been made by NWK to 4 Africa Exchange Proprietary Limited ("**4AX**") for the listing by way of introduction (the "Listing") of its entire issued ordinary share capital on the securities exchange operated by 4AX (the "Application").
- 1.2 This Formal Notice contains extracts from the Listing Particulars to be issued on 28 September 2017 and as such is not intended to be comprehensive. For a full appreciation of the Company and the Listing, the Listing Particulars should be read in its entirety in conjunction with this Formal Notice.

**THIS FORMAL NOTICE IS NOT AN INVITATION OR OFFER TO THE PUBLIC TO ACQUIRE, PURCHASE OR
SUBSCRIBE FOR SHARES IN NWK.**

- 1.3 *Save to the extent specifically stated otherwise herein, capitalised terms in this Formal Notice shall bear the corresponding meanings as ascribed to those terms in the Listing Particulars.*
- 1.4 The Listing of NWK on 4AX will be implemented as a new listing by way of introduction of the Company's entire issued ordinary share capital. It is not NWK Holdings' intention to raise capital as part of the Listing.

2. GENERAL OVERVIEW OF NWK

- 2.1 NWK was established during 1909 pursuant to the successful merging of various smaller agricultural co-operatives.
- 2.2 During 1998 NWK was converted to a public company, at which time the current NWK Holdings Proprietary Limited ("**NWK Holdings**") control structure was incorporated within the NWK Group, in terms of which structure, NWK Holdings holds a controlling stake in NWK.
- 2.3 NWK's main business is that of an operational agricultural business that has been participating successfully in the grain and food value chain of southern Africa, mainly in the North West, for more than a century.
- 2.4 NWK Holdings' main business is that of an investment holding company, with its sole investment, being its controlling interest in NWK.
- 2.5 Since its inception, NWK had the ability to adapt, transform and grow together with agriculture in order to look after the needs of stakeholders and contribute to food security within southern Africa.
- 2.6 The main objective of NWK is to trade in agricultural and related products, aids and services at a retail level and to undertake associated and/or ancillary activities.
- 2.7 The operational outlets of NWK are divided into six business segments, the six business segments being the following:
 - Grain;
 - Trade;
 - Industries;
 - Poultry farming;
 - Financial services; and
 - Africa business.

2.8 Set out below is a general overview of each of the business segments of NWK, with the revenue and profit before tax contribution for each business segment during the financial year ended 30 April 2017:

2.8.1 **GRAIN:**

Revenue contribution: R110,3 million

Profit/(loss) before tax contribution: R80,5 million

NWK provides a range of comprehensive services to the producers of grain and oil seed crops. NWK's grain experts have years of experience and know the grain market in this area. Peace of mind is our greatest asset. Every client that makes use of our wide range of services can depend on this.

Our services include:

- marketing of white and yellow maize, sunflower and wheat;
- expert market information and advice; and
- Safex broker service.

NWK is also renowned for its effective grain administration and strict fulfilment of agreements. First class service, market related prices and top of the range marketing and hedging products are our passion. We know this is the key to unlocking prosperity and progress for our clients.

2.8.2 **TRADE:**

Revenue contribution: R1 737,3 million

Profit/(loss) before tax contribution: R75,7 million

To us improved customer service is a way of life and not a once-off occurrence. Competitiveness and long-term customer relationships form the basis of our business philosophy. We offer a comprehensive range of high-quality agricultural requisites at affordable prices at a retail and wholesale level.

Our products include:

- agricultural requisites sold at a wholesale or retail level;
- seed;
- plant nutrition; and
- tractors and agricultural implements.

2.8.3 **INDUSTRIES:**

Revenue contribution: R582,9 million

Profit/(loss) before tax contribution: (R1,1 million)

NWK has become an important role-player in the total agricultural value chain through the years. The strategic focus of our industries and subsidiaries is to add value to primary raw materials produced within the agricultural landscape.

NWK strives to improve results by continuously investigating new technology and optimising existing processes. This enables NWK to act innovatively and utilise new opportunities.

2.8.4 **POULTRY FARMING:**

Revenue contribution: R178,1 million

Profit/(loss) before tax contribution: R10,9 million

As part of its long-term strategy to diversify, NWK decided to invest in a day-old broiler chick business. In this very competitive market NWK managed to secure a supply agreement with one of the key role-players in the market. This agreement created stability that significantly increased the chances of success.

2.8.5 **FINANCIAL SERVICES:**

Revenue contribution: R187,2 million

Profit/(loss) before tax contribution: R65,1 million

NWK Financing focuses on client service and risk protection. NWK understands that each producer is unique and consequently has his own unique financing needs. More than 100 years' experience allows NWK to offer a comprehensive range of market-related financing products that will satisfy every producer's financing needs.

NWK understands that it is often a cut-throat market out there, but NWK considers this fierce market competitiveness as an opportunity to optimise both our product offerings and client service levels. NWK Financing – for every season – that's NWK's nature.

2.8.6 AFRICA BUSINESS:

Revenue contribution: R – million

Profit/(loss) before tax contribution: (R30,9 million)

The strategic decision to expand NWK's business interests to other countries in Africa has gained momentum during the past years. This business segment conducts cotton ginning and other agricultural activities in the Republic of Zambia, as well as commercial outlets and an animal feed plant in the Republic of Botswana.

NWK currently holds interests in the following African businesses:

- Mont-Trade Proprietary Limited in the Republic of Botswana; and
- NWK Agri-Services in the Republic of Zambia.

3. BOARD OF DIRECTORS OF NWK

Full details of the Board of Directors of NWK appear in Section 6, paragraph 6.1 of the Listing Particulars.

4. RATIONALE FOR THE LISTING

4.1 The rationale for the NWK Listing includes, *inter alia*, the following:

4.1.1 NWK has allowed and facilitated the over-the-counter trading in its Securities since 1998, however, pursuant to the amendment by South African legislative and regulatory authorities of legislation relating to the trading in Securities in the South African financial markets (in terms of which over-the-counter trading was abolished), NWK was necessitated to apply for a Listing in order to ensure the continued trading in its Securities;

4.1.2 enhancing the NWK Group's public profile;

4.1.3 enhancing relations with existing stakeholders such as banks, suppliers, distributors and customers;

4.1.4 improving the quality of information available for decision-making by stakeholders;

4.1.5 increasing liquidity for Shareholders and/or enabling Shareholders, to the extent they wish to do so, to realise the value of their investments in NWK; and

4.1.6 enhancing the capital raising abilities of the Company and to give the Company the ability to use its securities as acquisition currency, as vendors are more likely to accept listed securities.

4.2 Notwithstanding the fact that NWK is a shareholder of 4AX, the Board of Directors, in resolving to pursue the Listing, considered the different securities exchanges in South Africa and given the NWK Group's unique structure and profile of its shareholders and clients, found 4AX as the preferred option. For the avoidance of doubt, NWK does not have any representation on the board of directors of 4AX and/or 4 Africa Exchange Registry Proprietary Limited.

5. SECURITIES FOR WHICH LISTING ON 4AX IS SOUGHT

5.1 The Shares to be listed comprises 143 031 971 (one hundred forty three million thirty one thousand nine hundred seventy one) Ordinary Shares of R1,00 (one Rand) each (the "Shares").

5.2 All Shares to be listed shall rank *pari passu* with each other in all respects, including in respect of voting rights and Distributions.

5.3 The dealings in the Shares are expected to commence on 28 September 2017.

6. LISTING ON 4AX

6.1 4AX brings to the market an efficient and alternative regulatory model which reduces regulatory costs and inefficiencies, but promotes and adheres to the highly regarded financial regulatory standards in South Africa.

6.2 The unique features of 4AX include the following:

6.2.1 clear and transparent listing requirements for equities which have been uniquely designed to introduce new types of listings and facilitate much needed growth in the mid-market sector;

6.2.2 a unique exchange infrastructure in South Africa (based on international best practice) by introducing a central independent register of beneficial ownership (housed within the 4AX Registry);

6.2.3 designed to meet the needs of retail investors whilst remaining attractive to institutional investors through the removal of some key barriers to investing for retail investors; and

6.2.4 modern, scalable technology design and infrastructure to reduce cost and increase efficiency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

7.1 The Listing Particulars, this Formal Notice and documents detailed in paragraph 7.3 of the Listing Particulars are available for inspection during normal office hours from the date hereof until Thursday, 13 October 2017, at the registered offices of NWK and NWK's Issuer Agent, Pallidus Capital Proprietary Limited ("**Pallidus Capital**") at:

NWK	PALLIDUS CAPITAL
81 Scholtz Street, Lichtenburg, North West, 2740.	Suite 3, Southdowns Ridge Office Park, 1240 John Vorster Drive, Irene, Centurion, Gauteng, 0123 and at Cradock Heights, Corner of Tyrwhitt and Cradock avenue, Rosebank, Johannesburg, Gauteng, 2196

7.2 The Listing Particulars will also be made available for download from the websites of NWK (www.nwk.co.za) and 4AX (www.4ax.co.za) with effect from 28 September 2017.

8. ISSUER AGENT

NWK has appointed Pallidus Capital as Corporate and Transaction Advisor and Issuer Agent for the Listing, with its registered address at Suite 3, Southdowns Ridge Office Park, 1240 John Vorster Drive, Irene, Centurion, Gauteng, 0123 (www.pallidus.co.za).

BY ORDER OF THE BOARD OF DIRECTORS OF NWK

27 September 2017

ISSUER AGENT

Pallidus Capital Proprietary Limited

COMPANY SECRETARY

Quinton van Niekerk
NWK