

## **ARGENT INDUSTRIAL LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 1993/002054/06)

Share code: ART

ISIN: ZAE000019188

("Argent" or "the Company")



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## **CATEGORY 2 ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF STANDMODE LIMITED**

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### **1. INTRODUCTION AND RATIONALE**

Argent, through its wholly owned subsidiary, Argent Industrial UK Limited ("**Buyer**") is pleased to announce that it has entered into an agreement on 19 August 2024 ("**Agreement**") to acquire the entire issued share capital of Standmode Limited ("**Holding Company**") and its 100% held subsidiary Mersey Container Services Limited ("**Subsidiary**") (together the "**Standmode Group**") from Mr P. Fitzgerald and Mrs J.E Fitzgerald (collectively, the "**Sellers**") by way of a lock box transaction for a cash purchase consideration of GBP 6 894 276.70 (R 159 326 734.54) (the "**Transaction**").

The rationale for the Transaction is an opportunity for Argent to grow its business by further diversifying its portfolio of companies and to continue expanding internationally into the United Kingdom.

### **2. NATURE OF THE BUSINESS**

The Standmode Group operates in the United Kingdom from a premises owned by the Holding Company. The Subsidiary manufactures modular buildings, offices, mess units, toilet and shower blocks. These can be stacked or linked units depending on the customer's requirement.

### **3. PURCHASE CONSIDERATION**

The purchase consideration is a cash payment ("**Cash Payment**") of GBP 6 894 276.70 (R 159 326 734.54) by the Buyer to the Seller and an additional surplus cash payable by the Holding Company to the Sellers.

The Cash Payment consists of the following:

- GBP 1 000 000.00 (R 23 110 000.00) constitutes the value of the property owned by the Holding Company and;
- GBP 5 894 276.70 (R 136 216 734.54) constitutes the value of the attributable profits after tax at a price to earnings (P/E) ratio of 4.9.

### **4. CONDITIONS PRECEDENT**

There are no outstanding conditions precedent to the Transaction.

### **5. COMPLETION DATE OF THE TRANSACTION**

The completion date of the Transaction is 16 August 2024.

## **6. FINANCIAL INFORMATION**

The net value of the assets attributable to the Standmode Group amounts to GBP 3 029 723.00 (R 70 016 898.53).

The profits attributable to the Standmode Group amount to GBP 1 202 913.00 (R 27 799 319.43) after taxation.

The financial information contained in this announcement have not been reviewed or reported on by Argent's auditors.

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

The Agreement contains warranties and indemnities which are standard for a transaction of this nature and there are no other significant terms to the Agreement.

## **8. CLASSIFICATION OF THE TRANSACTION**

As the Transaction amounts to more than 5% but less than 30% of Argent's market capitalisation, the Transaction is classified as a category 2 transaction in terms of the JSE Listings Requirements.

This announcement is made for information purposes only and no action is required by Argent shareholders with regards to the Transaction.

## **9. OTHER**

The Memorandum of Association of the Standmode Group does not conflict with Argent's obligations in terms of compliance with the JSE Listing Requirements.

Durban  
19 August 2024

Sponsor  
PSG Capital



PSG CAPITAL