

ELB GROUP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1930/002553/06)
ISIN: ZAE000035101
JSE Code: ELR
("ELB" or "the Company")



TERMS ANNOUNCEMENT IN RESPECT OF THE DISPOSAL OF B&W INSTRUMENTATION AND ELECTRICAL BY ELB ENGINEERING

1. BACKGROUND AND RATIONALE

The board of directors of ELB is pleased to announce that its subsidiary, ELB Engineering (Pty) Ltd ("**Engineering**") entered into an agreement with Matatrim Proprietary Limited (registration number 2018/474293/07) ("**Matatrim**") on 16 April 2019, in respect of which the parties agreed terms of the disposal by Engineering of the entire issued share capital ("**B&W Shares**") of its wholly-owned subsidiary, B&W Instrumentation and Electrical Proprietary Limited ("**B&W**") to Matatrim ("**the Transaction**").

B&W is an electrical and instrumentation construction company which services the mining, oil and gas, chemical, industrial and utilities, power generation, transmission and distribution and renewable energy sectors across Sub-Saharan Africa, and has been in existence for over 40 years. B&W also provides specialist earthing and lightning protection services and electrification systems for mobile equipment.

The Transaction will enable B&W to raise external funding, to build its external client base and to focus on growing external revenue, given that B&W's capacity has mostly been absorbed by ELB group operations in the past while part of the ELB group.

2. TERMS OF THE TRANSACTION

2.1. Consideration

The consideration payable to Engineering for the B&W Shares is an amount of R1.00 (one rand), payable in cash.

2.2. Suspensive conditions

The Transaction is not conditional upon the fulfilment or waiver of any suspensive conditions.

2.3. Effective date

Notwithstanding the date of signature of the agreement, the effective date of the Transaction is 2 April 2019 ("Effective Date"). All benefits of and risks in and to the B&W Shares will have passed to Matatrim on the Effective Date.

2.4. Other significant terms

Other warranties and terms that are standard for a transaction of this nature were agreed amongst the parties to the Transaction.

3. NET ASSET VALUE AND TOTAL NET INCOME AFTER TAX ATTRIBUTABLE TO THE SUBJECT OF THE TRANSACTION

The provisional loss attributable to the B&W group was R152 million and the provisional negative net asset value attributable to the B&W group was R39 million.

The above financial information has been sourced from unpublished management accounts and the Company is satisfied with the quality of such management accounts.

4. CATEGORISATION

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

Rivonia

26 April 2019

Sponsor and Corporate Advisor



Questco Corporate Advisory Proprietary Limited