

Marshall Monteagle PLC
(Incorporated in Jersey)
(Registration No. 102785)
(External Registration No: 2010/024031/10)
JSE code: MMP ISIN: JE00B5N88T08
("Marshall" or "the Company")

DISPOSAL OF SHARES IN A SUBSIDIARY

WITHDRAWAL OF CAUTIONARY

1. Introduction

Shareholders are referred to the cautionary announcement dated 18 September 2019 and are advised that the Company, via its wholly owned subsidiary Monteagle Consumer Group Limited ("Monteagle Consumer") has entered into an agreement with The SPAR Group Limited, ("SPAR") to dispose of its entire 50% interest in Monteagle Africa Limited ("Monteagle Africa"), ("the Disposal") to SPAR for a maximum amount of US\$ 11 764 706 (R180 000 000 at an exchange rate of ZAR15.30 /US\$1 on 3 October 2019).

2. Background

SPAR is a public listed company which specialises in the wholesaling and distribution of groceries, fast moving consumer goods, liquor, pharmaceutical and goods required for the building industry. Monteagle Africa offers end-to-end private label supply chain services.

3. Rationale for the disposal

Monteagle Africa have for many years supplied SPAR with private label consumer products predominantly sourced in South Africa and the Disposal reinforces this long-term relationship.

The proceeds of the Disposal will be utilised by Monteagle Consumer to increase working capital for its ongoing local and international trade in fast moving consumer goods.

4. Disposal consideration

Subject to the fulfilment of the conditions precedent set out in paragraph 5 below, the consideration shall be calculated using a consideration calculation formula of a multiple of 2 times the profit after taxation of Monteagle Africa and its subsidiary, Monteagle Merchandising Services Proprietary Limited ("MMS") for the financial year ending 30 September 2019 plus the net asset value of Monteagle Africa and MMS, as it will be reported on in the Annual Financial Statements of Monteagle Africa for the year ending 30 September 2019, subject thereto that the consideration shall not exceed US\$ 11 764 706 (R180 000 000).

The consideration shall be paid by SPAR in cash on the date of fulfilment of the conditions precedent set out in paragraph 5 below.

5. Conditions precedent

The Disposal is subject to the following outstanding conditions precedent:

5.1 that by no later than 30 October 2019:

5.1.1 the Takeover Regulation Panel established under the Companies Act, Act 71 of 2008 (“Companies Act”), either approves or exempts the Disposal as provided for in section 115(1)(b) of the Companies Act, resulting from an application to be made in this regard, by and at the cost of Monteagle Consumer;

5.1.2 SPAR provides written confirmation to Monteagle Consumer that it has obtained approval for this Disposal from relevant financial institutions; and

5.2 that by no later than 31 December 2019 or if applicable, by such later date as the parties may agree upon in writing, the Competition authorities unconditionally approve this Disposal in terms of the Competition Act, Act 89 of 1998, evidenced by the issue of a merger clearance certificate, or it becomes apparent that such approval is not required.

6. Effective date

The effective date of the transaction is 1 October 2019.

7. Unaudited *pro forma* financial effects

The *pro forma* financial effects of the transaction on the Company’s earnings per share, headline earnings per share, net asset value per share and net tangible asset value per share are not significant. The value of the net assets that are the subject of the transaction is US\$5 000 989 (ZAR76 515 137) and the profits attributable to the net assets that are the subject of the transaction is US\$2 426 002 (ZAR37 117 835).

8. Categorisation

This announcement is published in terms of the JSE Listings Requirements. The Disposal constitutes a category 2 transaction for the Company and does not require shareholder approval.

9. Withdrawal of Cautionary

Shareholders are advised that caution is no longer required to be exercised by shareholders when dealing in their securities

Johannesburg

4 October 2019

Sponsor

Sasfin Capital
(A division of Sasfin Bank Limited)

Legal Advisor

Shepstone & Wylie,