

# Aveng asset disposal process advances with the sale of Aveng water

Friday, 18 January 2019

*Johannesburg, 18 January 2019:* Aveng Limited (Aveng or the Group) has today announced the sale of 100% of Aveng Water Proprietary Limited and the Aveng Namibia Water business to Cambrose 735 Proprietary Limited, a special purpose vehicle incorporated as a private company (Infinity Partners), for a cash consideration of R95 million.

This sale forms part of Aveng's strategic disposal process announced in February 2018 when the company shared the results of its strategic review. The outcome of the review was the adoption by the Aveng Board of a new and focused strategy to become an international infrastructure and resources group operating in selected fast-growing markets and capitalising on its considerable knowledge and experience. As part of this process, the Group identified core businesses and assets that support its overall long-term strategy and announced that it intends to dispose of certain non-core assets and properties.

Following extensive negotiations, Aveng has entered into a binding sale and purchase agreement with Infinity Partners. The conclusion of the agreement remains subject to certain conditions, which are normal for a transaction of this nature and include the approval by the Competition authorities in all applicable jurisdictions, the sanction of certain Aveng financiers, and the successful conclusion of all final agreements.

Infinity Partners is a 100% Black-owned company jointly held by E-Squared Investments and Suzie Nkambule, the current Managing Director of Aveng Water who has led a successful turnaround of the business for the past three years. Suzie Nkambule is a Fellow of the Allan Gray Orbis Foundation and will lead the business as it builds on its strategy and capabilities to become a leading water infrastructure development and technology company operating across sub-Saharan Africa.

E-Squared is a large impact investor whose vision is of an economically sustainable and inclusive South Africa. E-Squared invests in high-impact businesses driven by Allan Gray Orbis Foundation Fellows who have entrepreneurial ambition and who seek to make meaningful transformation possible in the South African economy. Investing in Infinity Partners is aligned to E-Squared's mission to empower responsible entrepreneurs to become the catalysts for economic development, transformation and social upliftment in South Africa.

Aveng Executive Chairman, Eric Diack, commented: "This sale is another important step in the delivery of our strategic action plan and in the refocusing of Aveng to become an international infrastructure and resources group. The transaction also addresses various strategic imperatives, such as the retention of all existing jobs, surety for the continuation of existing clients' contracts, and sustainability to ensure the business remains successful well into the future."

Aveng Water is a leading water treatment process engineering and project delivery business with a broad service offering, from project development to long-term operations and maintenance. The business has a core capability well ahead of its South African peers in mine-impacted water treatment technology and sea water desalination in Southern Africa. It is well-positioned in both public and private water and wastewater reuse developments with strong international and local

partners to meaningfully participate in the delivery of the South African water and sanitation infrastructure backlog.

Proceeds from this sale will be used to strengthen Aveng's financial position and will be applied as working capital to the remainder of the Grinaker-LTA business as previously agreed with the Group's South African lenders in the Common Terms Agreement. The transaction is expected to close by the end of March after all conditions have been met.