



MEDIA STATEMENT

9 November 2021

For immediate release

RBH ACCEPTS UNSOLICITED OFFER FOR UP TO 33.3% INTEREST IN RBPLAT

Significant benefits to RBN achieved

Royal Bafokeng Holdings (RBH) advises that it has received and accepted an unsolicited offer from Northam Platinum Holdings (Northam) for up to 33.3% of the RBH shareholding in Royal Bafokeng Platinum (RBPlat). RBH currently holds an interest of 36.1% of RBPlat.

The decision taken by RBH was tabled at, and supported by, meetings of the Board of the Royal Bafokeng Nation Development Trust (RBN DT) and the Royal Bafokeng Nation (RBN) Supreme Council yesterday (Monday, 8 November 2021), as the unsolicited offer from Northam maximises value and responsible, sustainable stewardship for the Royal Bafokeng Nation.

In terms of the agreement reached between RBH and Northam, there is an initial sale of RBH's 32.8% interest in RBPlat which can increase to 33.3%. The deal values RBH's 33.3% interest at R17.2 billion. The proceeds of the sale will be realised through a combination of a cash consideration of R8.6 billion, as well as a share consideration resulting in RBH holding an interest of 8.7% in Northam. At the conclusion of the transaction, RBH will continue to be a long-term PGM investor, through its various holdings, including through the 2.8% interest that it will hold in RBPlat directly and, will have a further indirect stake through its interest in Northam.

Importantly, the transaction will see immediate investment in partnership with Northam in a number of high-value and high-impact community initiatives in the region that are currently being planned by the RBN and RBH to address the most significant needs of the Nation.

RBH and Northam have agreed three specific interventions in terms of a Memorandum of Understanding:

- In-principle agreement has been reached for RBH and RBN to partner with Northam to develop and deliver renewable energy and battery storage projects that will enhance the security of supply and lower the cost of energy for the RBN. Importantly, this project will be a major step forward in regional and sector decarbonisation.

The RBN will become a minority shareholder in the renewable energy project company and in so doing, will continue to diversify its local economy and become a meaningful participant in the emerging green economy. In addition, the RBN will benefit from the socio-economic development and enterprise development contributions that will fund initiatives with a socio-economic impact, and this initiative will develop local skills and create employment opportunities during construction and in the operational phases of the project.

- The second intervention will see the establishment of an Enterprise and Supplier Development Fund and programme to promote and support the participation of SMMEs from within the RBN in the mining value chain. This intervention will deliver financial and non-financial support to SMMEs, including business incubation, growth acceleration and access to market support, as well as access to finance for SMMEs to grow / expand businesses, based on approved criteria.
- The third intervention is aimed at decreasing youth unemployment through an artisan training programme and Trade School that can absorb thousands of unemployed youth from different educational backgrounds from within the RBN.

In addition, as the provision of an integrated and sustainable water infrastructure solution that will enable the delivery of a quality and reliable water supply to RBN communities is such a high priority, RBH will declare a special dividend of R350 million to fund this project.

RBH CEO, Albertinah Kekana said: "In considering and accepting the offer made by Northam, RBH continues to firmly focus on prioritising the socio-economic interests and needs of the RBN. As responsible stewards of the RBN's resources, RBH has been entrusted with a unique mandate

that requires us to place the interests of the RBN top-of-mind, and this guides our investment philosophy as a prudent and long-term investor.

We take a long-term view to support the objectives and aspirations of the RBN's Plan '35 – which is the RBN's strategic framework - through the implementation of our diversification strategy and prudent portfolio management in line with our commitment to ensuring that our portfolio remains diverse, liquid and yields long-term returns for our shareholder. This transaction both maximises and accelerates our ambitions on these economic fronts, but also supports direct community interventions.

In optimising the value for, and delivery to the Nation, however, we are mindful of our responsibility to other stakeholders, who are invested in the assets we hold and who live in the region. We are confident that this transaction with Northam will, on balance, achieve many of the long-term interests of these stakeholders. For the RBN and the region as a whole, which includes employees and communities associated with RBPlat, our transaction with Northam will see a significant benefit in terms of the community development interventions that have been announced today.”

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