

Group Five Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1969/000032/06)
Share code: GRF ISIN: ZAE000027405
("Group Five" or "the Company" or "the Group")

UPDATE ON THE BUSINESS RESCUE PROCEEDINGS, DISPOSALS, POST COMMENCEMENT FINANCE AND BUSINESS RESCUE PLAN

Shareholders are referred to the SENS announcement released on 12 April 2019 in relation to the JSE dispensation under Schedule 11 with regards to the disposal of assets whilst the Company is under business rescue proceedings.

The business rescue practitioners (BRPs) undertook to provide shareholders with monthly updates on the business rescue proceedings and the sale of Group assets. This is the first such update.

The business rescue proceedings are progressing well. The Group has entered into Post Commencement Finance (PCF) arrangements with a consortium of bank lenders (Consortium) and has secured an initial drawdown to finance working capital requirements. The BRPs are in discussion with the Consortium for further PCF draw-downs.

In the construction business the majority of projects will continue to completion as a result of being funded internally, being funded through PCF arrangements with the Group's lenders, or by being ceded. Certain non-performing projects have been exited, and unfortunately some projects have been unilaterally cancelled by clients.

The Company is currently undergoing a retrenchment process to reduce headcount and the cash burn associated with the currently high (relative to the underlying businesses) head office costs.

Binding agreements have been entered into, as at the date of this SENS announcement, for the disposal of:

- a 40.1% shareholding in Intertoll Capital Partners (ICP);
- a 50% shareholding in Barnes Reinforcing Industries (BRI);
- a 28.9% shareholding in Jozi Power;
- plant & assets not being utilised in the ordinary course of business; and
- property not being utilised in the ordinary course of business;

which sales will realise total proceeds of R709 million, with the sale of ICP, BRI, Jozi Power and property assets being subject to conditions precedent in order for the disposals to be concluded. Proceeds received from assets subject to security agreements will be utilised to reduce the relevant secured debt, and the balance of unsecured proceeds has been (or will be) utilised to settle working capital requirements.

A reconstituted sale process is underway in respect of the manufacturing cluster, and similarly a reconstituted sale process is underway in respect of the balance of the Intertoll Europe business (after the sale of the 40.1% of ICP).

Shareholders are advised that the BRPs are still on track to publish a Business Rescue Plan on or about 28 June 2019.

Shareholders are further advised that regular updates of the business rescue proceedings are available on the Company's website (www.g5.co.za)

15 May 2019

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