



## **Joint media release: GWK and VKB**

### **Final approval for merger between VKB and GWK**

The merger between VKB and GWK received final approval by the relevant regulatory authorities, including competition authorities, after the final suspensive conditions required for the transaction were fulfilled. This means that these two agricultural groups will operate as a new, combined group starting today, 31 May 2023.

A joint notice and outline of the finalisation of the scheme is available on the two companies' respective websites, at <https://bit.ly/42uQliZ> and <https://www.gwk.co.za/Company/1>.

The announcement follows the approval of the merger on 21 December 2022 by the Competition Tribunal, subject to certain conditions that were approved by VKB and GWK, shortly after a recommendation made by the Competition Commission in favour of the merger.

Discussions between the two companies started in July 2020, after which GWK's shareholders voted in favour of the merger on 11 August 2022, and VKB's board of directors approved the transaction within their mandate earlier in 2022.

The conception and design of the transaction was led by delegates from VKB and GWK, in collaboration with an external, independent corporate finance advisor, Pallidus, in order to negotiate an agreement that ensures the protection and long-term benefit of both groups. These delegates took the utmost care to critically consider several aspects, including synergies in terms of company culture and structure, a shared vision to promote agriculture, preserving producer ownership and control, and to ensure continued quality service for farmers.

Dr PG Strauss, managing director of the VKB Group, says that he is looking forward to the positive impact the combined group will have on South Africans, by supporting and inspiring progress through the group's involvement in agriculture and the food industry.

"It's important that the respective businesses and brands within the combined group are positioned and grouped correctly to ensure that clients in all areas receive optimal service. The focus will now be on prudent management of the integration process, while continuing to deliver results across the group in terms of customer service, quality products and financial achievement. The respective management teams of VKB and GWK can now drive the integration process forward – together – and communicate with our shareholders, clients, employees and other stakeholders to keep them abreast of progress and updated throughout."



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Mr Llewellyn Brooks, managing director of the GWK Group, says that this merger creates a unique, diversified and sustainable producer-owned agricultural group.

“I look forward to what we can start building *now*, as well as the opportunities the future holds for our clients, employees and other stakeholders. The combined group has a large footprint that will unlock efficiencies in terms of, among others, business models and infrastructure.”

Former managing director of the VKB Group, Mr Koos Janse van Rensburg, played an integral role in the transaction design, and says that he is excited to see the intended transaction become reality.

“I can look back with satisfaction and look forward to the future with anticipation, because I am convinced of the combined group’s potential. We want to be a strategic partner to farmers, one that – in our capacity as an agri business – can ensure that farmers can sustainably manage their farming businesses.

Mr Coenraad Fick, chairman of the VKB Group’s board of directors, says that the companies share similar cultures, the same history and are producer-owned.

“With a shared vision for the future, the combined group will be even more sustainable, will unlock more value and will establish itself as the agri business of the future.”

Mr Nicolaas Kruger, chairman of GWK’s board of directors, says that the merger creates the unique opportunity to strengthen both companies when unified.

“The business environment is very complex and challenging. Companies should continuously examine their strategies and the ways to best implement it. Organic growth is often a good way to move forward, but sometimes there is an opportunity to make a quantum leap.”

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