

DRASLOVKA ACQUIRES SASOL'S SODIUM CYANIDE BUSINESS

07/12/2021

This will be Draslovka's first major investment into the African continent and forms part of its international expansion plans.

Draslovka Holding Company ("Draslovka" or "the Company"), a Czech-based, global leader in cyanide-based chemical specialties and agricultural chemicals including next generation fumigants and biocides, has entered into an agreement with Sasol South Africa Limited ("Sasol") to acquire its Sodium Cyanide business, located in Sasolburg for R1,46 billion.

Draslovka is a family-owned private company focused on the production of specialty chemicals and proprietary manufacturing technologies with over 100 years' experience of operating within the hydrogen cyanide (HCN) production and chemistry sector. The Company, which has production and services facilities in the Czech Republic, South Africa, Australia, New Zealand, and India, has a strong track record of innovation and efficiency improvement. Draslovka is a committed long-term oriented business and plans to invest within the facility to increase production and improve efficiency, with the longer term goal of not only serving the South African mining industry, but to export across Africa to meet growing demand.

This will be Draslovka's first major investment into the African continent and forms part of its international expansion plans.

Pavel Bruzek, the chief executive officer of Draslovka, said the company believes the South African market offers significant long-term opportunities and the investment, both strategically as well as culturally, fits in well with the company's family business structure.

"This acquisition will allow Draslovka to not only better serve the South African mining and associated industries but in the longer-term, enhance South Africa's exports and provide greater access to the Draslovka's leading agricultural materials.

"From a wider perspective, today's announcement represents the first step on our global ambitions to take Draslovka to the next level, leveraging our leading technology to drive output, increase efficiency to better serve the mining and agricultural industries.

"In addition to our initial investment, we plan to invest a further \$50m into modernising the facility, expanding the plant and ensuring it meets our world-leading environmental standards. This will allow us to enhance our offerings into products that are currently imported into South Africa from other countries."

Bruzek said the company is committed to maintaining the strictest and most up-to-date safety and environmental measures, and aligning with European regulations and international standards.

As part of Draslovka's commitment to address the economic transformation objectives of South Africa, it has partnered with Navuka Investment Holdings as its broad-based black economic

empowerment (B-BBEE) partner. Navuka will own 25% plus one share of the SA operations.

Navuka CEO, Nathiera Kimber, said its partnership with Draslovka will allow it to play a more meaningful role in South Africa's chemical industry. "This opportunity will further expand our investments into this sector of the mining industry and allow us to play a meaningful role with Draslovka in servicing the mining sector, especially the country's all-important gold industry."

The transaction is subject to various regulatory approvals and is expected to be completed in the first half of calendar year 2022.