
**WITHDRAWAL OF THE PROPOSED DELISTING OF ZARCLEAR
CONTINUATION OF THE GENERAL OFFER BY LEGAE PERESEC CAPITAL**

1. Introduction

Shareholders are referred to the update announcement released on SENS on 30 June 2020, wherein shareholders were advised that:

- 1.1. the board of directors of Zarclear (the "**Board**") resolved that, subject to securing the requisite approval from its shareholders in a general meeting and the JSE approving the Company's delisting application, it would be in the best interests of the Company to seek a delisting of the Company's shares from the JSE and A2X (the "**delisting**") ; and
- 1.2. in compliance with the JSE Listings Requirement and A2X Listing Requirement that the delisting must be accompanied by a fair cash offer to be made to holders of all the Company's listed securities (the "**ZCL shares**"), the Company had received a proposal from Legae Peresec Capital Proprietary Limited ("**Legae Peresec Capital**" or the "**Offeror**"), that Legae Peresec Capital make the required cash offer to purchase ZCL shares from any shareholder who either cannot or does not wish to continue to hold ZCL shares in an unlisted structure, at an offer price of R4.40 per ZCL share (the "**offer price**") (the "**general offer**").

In accordance with the provisions of the Companies Act 71 of 2008 (the "**Companies Act**") and the Takeover Regulations promulgated thereunder (the "**Takeover Regulations**"), an independent sub-committee of the Board (the "**Independent Board**") was formed for purposes of considering the general offer.

2. Withdrawal of the delisting and continuation of the general offer

The Independent Board appointed Nodus Capital TS Proprietary Limited ("**Nodus**" or the "**Independent Expert**") to provide the Independent Board with its opinion as to whether the terms of the general offer are fair and reasonable to Zarclear shareholders, in accordance with the Takeover Regulations.

Nodus has furnished its preliminary opinion to the Independent Board in which it has advised that, primarily as a result of the recent strong performance of certain of Zarclear's portfolio investments (particularly its investment held via Peregrine Capital and its shareholding in Stenprop Limited) and currency exchange rate gains made within Zarclear, an offer price of R4.40 would be below the bottom end of its fair value range for Zarclear shares and that accordingly an offer made at R4.40 per share, whilst being reasonable, would no longer be fair to shareholders.

Whilst Legae Peresec Capital has confirmed that it is still willing to make an offer to acquire Zarclear shares at R4.40 per share, it is not prepared to increase the proposed offer consideration.

The offer obligations imposed by paragraph 1.15 of the JSE Listings Requirements and paragraph 4.14 of the A2X Listings Requirements require that the Board must be advised by an independent expert that a proposed

offer to accompany a delisting is fair to the shareholders of the Company. Given that the Board has been unable to procure an offer and that the Company itself is not able to make an offer to shareholders at a price that the Independent Expert has confirmed as being fair, the Board is not in a position to proceed with the proposed delisting.

Despite the withdrawal of the delisting, Legae Peresec Capital has expressed its desire to the Board to further increase its strategic holding in the Company and has informed the Board that Legae Peresec Capital will proceed with the general offer at an offer price of R4.40 per ZCL share. Although the offer price is below the bottom end of the Independent Expert's fair value range, the Offeror is of the view that the general offer still presents those shareholders who wish to monetise their shareholding with an opportunity to do so at a price that reflects a meaningful premium to the recently traded price of Zarclear shares.

The general offer will be made by Legae Peresec Capital in compliance with the relevant provisions of the Companies Act and the Takeover Regulations.

3. Documentation and timing in relation to the general offer

Full details of the general offer will be set out in a combined offer circular which will be distributed by Zarclear to its shareholders in due course and will include the opinion of the Independent Expert in respect of the general offer, the independent board's opinion on the general offer and the applicable salient dates and times relating to the general offer.

This announcement does not constitute an undertaking or firm intention to make an offer by Legae Peresec Capital to Zarclear shareholders.

4. Zarclear Board responsibility statement

The Zarclear Board and its Independent Board collectively and individually accept responsibility for the accuracy of the information contained in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement relating to Zarclear is true, this announcement does not omit anything that is likely to affect the import of such information, and that all reasonable enquiries to ascertain such information have been made.

5 August 2020

Corporate advisor and sponsor to Zarclear

JAVACAPITAL