

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this circular have, where appropriate, been used on this cover page.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

Action required

If you have disposed of all your eXtract shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

eXtract shareholders are referred to page 3 of this circular, which sets out the detailed action required of them in respect of the corporate actions set out in this circular.

eXtract does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised eXtract shares to notify such shareholder of the corporate actions set out in this circular.

eXtract

GROUP

eXtract Group Limited

(previously Eqstra Holdings Limited)

(Incorporated in the Republic of South Africa)

(Registration number 1998/011672/06)

JSE share code: EXG ISIN: ZAE000246013

("eXtract" or the "Company")

CIRCULAR TO EXTRACT SHAREHOLDERS

relating to:

- **the delisting of all eXtract shares from the main board of the JSE following the passing of the delisting resolution by eXtract shareholders and the implementation of the offer;**
- **an offer by the offeror to acquire some or all of the ordinary shares in the Company not already owned by the offeror for an offer consideration of R6.00 per eXtract ordinary share held; and**
- **a responding circular by the independent board of eXtract containing their views in respect of the offer;**

and enclosing:

- **an independent fairness opinion regarding the offer;**
- **a notice of general meeting of eXtract shareholders;**
- **a form of proxy to vote at the general meeting of eXtract shareholders (for use by certificated eXtract shareholders and dematerialised eXtract shareholders who have elected "own-name" registration only); and**
- **a form of acceptance, surrender and transfer (*blue*) (to be completed by certificated eXtract shareholders only).**

Corporate advisor and JSE sponsor

JAVACAPITAL

Independent expert

M A Z A R S

CORPORATE FINANCE (PTY) LTD

Date of issue: 20 December 2018

This circular is available in English only. Copies of this circular are available on the Company's website at www.eXtractgroup.com and may also be obtained from the offices of eXtract, situated at 61 Maple Street, Pomona, Kempton Park, 1619, during normal office hours from the date of issue of this circular up to and including the closing date.

CORPORATE INFORMATION

Registered offices

eXtract Group Limited
(Registration number 1998/011672/06)
61 Maple Street
Pomona
Kempton Park
1619
(PostNet Suite X86 Private Bag X7, Aston Manor, 1630)

Corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandown
Sandton
2196
(PO Box 522606, Saxonwold, 2132)

Independent expert

Mazars Corporate Finance Proprietary Limited
(Registration number 2003/029561/07)
54 Glenhove Road
Melrose Estate
2196
(PO Box 669, Johannesburg, 2000)

Date and place of incorporation of the Company

Incorporated on 19 June 1998 in the Republic of
South Africa

Company secretary

Fusion Corporate Secretarial Services Proprietary Limited
(Registration number 2007/008376/07)
Unit 7, Block C
Southdowns Office Park
22 Karee Street, Irene
Pretoria
0157
(PO Box 68528, Highveld, 0169)

JSE sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandown
Sandton
2196
(PO Box 522606, Saxonwold, 2132)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(PO Box 61051, Marshalltown, 2107)

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ACTION REQUIRED BY EXTRACT SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this circular apply to this section.

If you have disposed of all your eXtract shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Please take careful note of the following provisions regarding the action to be taken by shareholders.

1. THE GENERAL MEETING

A shareholders' general meeting will be held at 10:00 on Monday, 21 January 2019 at the registered offices of eXtract at 61 Maple Street, Pomona, Kempton Park, 1619, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the delisting of the Company's shares from the main board of the JSE. A notice convening such general meeting is attached hereto, and forms part of this circular.

1.1 Dematerialised shareholders who do not have "own-name" registration

- 1.1.1 If you wish to attend the general meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the general meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- 1.1.2 If you do not wish to, or are unable to attend the general meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- 1.1.3 You must **not** complete the attached form of proxy.

1.2 Dematerialised shareholders who have "own-name" registration

- 1.2.1 You may attend, speak and vote at the general meeting in person, subject to section 57 and section 58 of the Companies Act.
- 1.2.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you should complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) (proxy@computershare.co.za) by no later than 10:00 on Thursday, 17 January 2019, failing which forms of proxy may be handed to the chairman of the general meeting or the transfer secretaries at the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.

1.3 Certificated shareholders

- 1.3.1 You may attend, speak at and vote at the general meeting, subject to section 57 and section 58 of the Companies Act.
- 1.3.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you should complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) (proxy@computershare.co.za) by no later than 10:00 on Thursday, 17 January 2019, failing which, forms of proxy may be handed to the chairman of the general meeting or the transfer secretaries at the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.

1.4 Electronic participation at the general meeting

Shareholders or their proxies may participate in the general meeting by way of a teleconference call and, if they wish to do so:

- 1.4.1 must contact the company secretary, Fusion Corporate Secretarial Services Proprietary Limited, by email to melinda@fusioncorp.co.za and/or andrea@fusioncorp.co.za by no later than 10:00 on Thursday, 17 January 2019 in order to obtain a secure code and instructions to access the conference call;
- 1.4.2 will be required to provide reasonably satisfactory identification; and
- 1.4.3 will be billed separately by their own telephone service providers for their telephone call to participate in the general meeting,

provided that shareholders and their proxies will not be able to vote telephonically at the general meeting and will still need to appoint a proxy to vote on their behalf at the general meeting.

The Company does not accept responsibility and will not be held liable for any failure or omission on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat. The Company does not accept responsibility for the failure of any shareholder to comply with any of the procedures set out above.

TRP APPROVALS

eXtract shareholders should take note that the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves such transactions.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 7 of this circular apply to this section.

2018

Firm intention announcement released on SENS	Thursday, 18 October
Record date to receive circular (together with the notice convening the general meeting)	Friday, 7 December
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS on	Thursday, 20 December
Circular (together with the notice convening the general meeting) posted on	Thursday, 20 December
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Friday, 21 December
Offer opens at 09:00 (see notes 7 and 8 below)	Friday, 21 December

2019

Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 8 January
Record date in order to be eligible to vote at the general meeting	Friday, 11 January
Last day forms of proxy should be lodged with the transfer secretaries for the general meeting (by 10:00)	Thursday, 17 January
General meeting held at 10:00	Monday, 21 January
Results of the general meeting released on SENS	Monday, 21 January
Results of the general meeting published in the press	Tuesday, 22 January
Expected date for receipt of approval of the Competition Authorities and offer becomes wholly unconditional (see note 8 below)	Wednesday, 13 February
Publication of finalisation announcement relating to the offer released on SENS	The first business day after the offer becomes wholly unconditional and at least 10 business days prior to the closing date
Publication of finalisation announcement relating to the offer published in the press	The second business day after the offer becomes wholly unconditional
Last day to trade in eXtract shares in order to participate in the offer	Three business days prior to the closing date
eXtract shares commence trading “ex” the offer	Two business days prior to the closing date
Listing of eXtract shares suspended on the JSE with effect from the commencement of trade on	Two business days prior to the closing date
Offer closes at 12:00 on	The closing date and record date to be announced on SENS and published in the press
Record date on which eXtract shareholders must hold eXtract shares in order to accept the offer	The closing date and record date to be announced on SENS and published in the press
Results of the offer announced on SENS	One business day after the closing date

Offer consideration paid to offer participants as per notes 10 and 11 below, with the last payment on	See notes 10 and 11 below
Results of the offer published in the press	Two business days after the closing date
Termination of the listing of eXtract shares at the commencement of trade on the JSE on	Two business days after the closing date

Notes:

1. All dates and times in this circular are local dates and times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
3. Shareholders should note that as transactions in eXtract shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire eXtract shares after Tuesday, 8 January 2019 will not be eligible to vote at the general meeting.
4. In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be lodged with the transfer secretaries by 10:00 on Thursday, 17 January 2019, failing which forms of proxy may be handed to the chairman of the general meeting or the transfer secretaries at the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
5. If the general meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting.
6. No dematerialisation and rematerialisation of eXtract shares may take place after the last day to trade in eXtract shares in order to participate in the offer.
7. The offer must remain open for at least 30 business days after the opening date.
8. The offer will remain open for at least 10 business days after it becomes wholly unconditional.
9. eXtract shareholders should note that acceptance of the offer will, subject to paragraph 4.6.2, be irrevocable.
10. Certificated shareholders who accept the offer will have the offer consideration transferred to them by EFT by no later than the payment date, being 6 business days after the date on which such shareholder delivers form of acceptance and documents of title to the transfer secretaries, with final payment being on the first business day after the closing date.
11. Dematerialised shareholders who accept the offer will have their accounts at their CSDP or broker updated by no later than the payment date, being within 6 business days after the date on which the CSDP or broker of such eXtract shareholders notifies the transfer secretaries of their acceptance of the offer, with final payment being made on the first business day after the closing date.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“board” or “eXtract board”	the board of directors of eXtract;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“cautionary announcement”	the cautionary announcement released on SENS on 31 August 2018, wherein shareholders were advised that the board of eXtract was investigating a delisting of the Company’s shares from the JSE on the basis that the delisting would be accompanied by a cash offer that would be made by a third-party offeror;
“certificated shareholders” or “certificated eXtract shareholders”	shareholders who hold certificated shares;
“certificated shares” or “certificated eXtract shares”	shares which have not yet been dematerialised into the Strate system, title to which is represented by physical documents of title;
“circular”	this circular, dated Thursday, 20 December 2018, including all annexures thereto;
“closing date”	the closing date of the offer at 12:00 as announced on SENS, a minimum of 10 businesses days prior thereto, and if required, published in the press, and which closing date shall be (i) a Friday (ii) not be earlier than 30 business days after the opening date and (iii) at least 10 business days after the offer becomes wholly-unconditional. The closing date is anticipated to be on Friday, 1 March 2019;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Competition Authorities”	the Competition Commission, the Competition Tribunal or the Competition Appeal Court, whichever has jurisdiction for the purposes of the offer, as established by the Competition Act, No. 89 of 1998, as amended from time to time;
“conditions precedent”	the conditions precedent to the offer as set out in paragraph 4.4 of this circular;
“CSDP”	Central Securities Depository Participant;
“delisting”	the delisting of eXtract from the main board of the JSE in terms of sections 1.14 and 1.15 of the JSE Listings Requirements;
“delisting resolution”	the ordinary resolution to be proposed at the general meeting for approval by shareholders of the delisting in terms of section 1.15 of the JSE Listings Requirements, as set out in the notice general meeting attached to and forming part of this circular;
“dematerialised shareholders” or “dematerialised eXtract shareholders”	shareholders who hold dematerialised shares;
“dematerialised shares” or “dematerialised eXtract shares”	shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“director”	a director of eXtract;
“documents of title”	share certificates, certified transfer deeds, balance receipts and any other documents of title to eXtract shares acceptable to the eXtract board;
“Exchange Control Regulations”	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;

“eXtract” or the “Company”	eXtract Group Limited (Registration number 1998/011672/06) (formerly Eqstra Holdings Limited), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE;
“eXtract group” or “group”	eXtract and its subsidiaries as at the last practicable date;
“eXtract minority shareholders”	all eXtract shareholders, other than the offeror, once the mandatory offer is triggered;
“Financial Markets Act”	Financial Markets Act, No. 19 of 2012, as amended from time to time;
“firm intention announcement”	the announcement released on SENS on Thursday, 18 October 2018, advising shareholders of the offer and delisting;
“form of acceptance”	the form of acceptance, transfer and surrender (<i>blue</i>) attached to this circular for use by certificated shareholders only;
“general meeting”	the general meeting of eXtract shareholders (including any adjournment or postponement thereof), to be held at 10:00 on Monday, 21 January 2019, at the registered offices of the Company, called for the purpose of passing, with or without modification, the resolutions set out in the notice of general meeting attached to this circular;
“IFRS”	International Financial Reporting Standards;
“independent board”	the members of the independent board of eXtract comprising Frank Davidson, Jannie Serfontein, Andrew Hannington and Nelis Leonard;
“independent expert” or “Mazars”	Mazars Corporate Finance Proprietary Limited (Registration number 2003/029561/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section of this circular;
“Inhlanhla Trust Investments” or the “offeror”	Inhlanhla Trust Investments Proprietary Limited (Registration number 2015/29614/07), a private company incorporated and registered in accordance with the laws of South Africa, further details of which are set out in paragraph 7.2 of Part A of this circular. The Inhlanhla Trust (the beneficiaries of which are David Brouze (Identity Number 640206 5028088) and his immediate family) is the sole shareholder of Inhlanhla Trust Investments;
“Java Capital”	collectively, Java Capital Proprietary Limited (Registration number 2002/031862/07), and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), private companies incorporated and registered in terms of the laws of South Africa, full details of which are set out in the “Corporate Information” section of this circular;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE as amended from time to time;
“last practicable date”	Monday, 10 December 2018, being the last practicable date prior to the finalisation of this circular;
“mandatory offer”	the potential mandatory offer of R6.00 per eXtract share in terms of section 123 of the Companies Act, that may be required to be made by the offeror to eXtract minority shareholders as a result of the offeror or persons related or inter-related to or acting in concert with the offeror acquiring a beneficial interest in 35% or more of the voting rights attaching to eXtract shares;

“material adverse event”	<p>an event, circumstance, development, matter or fact, which arises or occurs prior to the shareholders approving the delisting, reasonable details of which the offeror only becomes aware of after the firm offer letter was signed which:</p> <ul style="list-style-type: none"> • results in, or can reasonably be expected to result in, the net asset value per share of eXtract of R8.40 as per the audited consolidated results of eXtract for the year ended 28 August 2018, whether arising in the ordinary course of business or otherwise, declining by more than R0.84; and/or • results in the institution of legal proceedings or other procedures or steps (including an application to Court, proposal of a resolution or convening of a meeting of shareholders, members or directors) by any person with a view to (a) a moratorium, compromise, composition, business rescue or similar arrangement with any of the eXtract group’s creditors; (b) the winding-up, dissolution or commencement of business rescue proceedings, or for the seeking of relief under any applicable bankruptcy, insolvency, company or similar law of eXtract or any of its subsidiaries or (c) the enforcement of any security interest over any of the assets of eXtract or any of its subsidiaries where the value of the asset which forms the subject matter of the enforcement action is in excess of R22 million;
“MOI”	the existing memorandum of incorporation of eXtract;
“NAV”	net asset value;
the “offer” or the “general offer”	the general offer made by the offeror to eXtract shareholders, in terms of section 117(1)(iv) (read together with section 121(1)) of the Companies Act, to acquire all or part of their shareholding in eXtract, on the terms set out in this circular;
“offer consideration”	R6.00 per eXtract share;
“offeree”	the eXtract shareholders to which the offer is made;
“offer participants”	the eXtract shareholders who validly and lawfully accept the offer by the closing date and who are thus entitled to receive the offer consideration;
“offer period”	the period from 09:00 on the opening date to 12:00 on the closing date;
“offer record date”	the date on which eXtract shareholders must be recorded in the securities register in order to participate in the offer, being the closing date;
“opening date”	the opening date of the offer, being 09:00 on Friday, 21 December 2018;
“own-name dematerialised shareholders”	dematerialised shareholders who/which have elected “own-name” registration;
“own-name registration”	dematerialised shareholders who have instructed their CSDP to hold their eXtract shares in their own-name on the uncertificated securities register;
“payment date”	<p>means:</p> <ul style="list-style-type: none"> • in respect of certificated shareholders who accept the offer, within 6 business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries, with the last payment date being the first business day after the closing date; and • in respect of dematerialised shareholders who accept the offer, within 6 business days after the date on which the CSDP or broker of such dematerialised shareholder notifies the transfer secretaries of their acceptance of the offer, with the last payment date being the first the business day the closing date;
“R” or “Rand”	South African Rand;
“register”	eXtract’s securities register, including the uncertificated securities register;
“SARB”	the South African Reserve Bank;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;

“share” or “ordinary share” or “eXtract share”	an ordinary share of no par value of the Company;
“shareholders”, “ordinary shareholders” or “eXtract shareholders”	the registered holders of eXtract shares;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Takeover Regulations”	Chapter 5 of the Regulations to the Companies Act, 2011, published in terms of the Companies Act;
“The Inhlanhla Trust”	The Inhlanhla Trust (Master’s reference number IT12649(T)), the beneficiaries of which are David Brouze (Identity Number 6402065028088) and his immediate family;
“transfer secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section of this circular;
“TRP”	the Takeover Regulation Panel, established pursuant to section 196 of the Companies Act;
“voting record date”	the date on, and the time at which a shareholder must be recorded in the securities register of the Company in order to vote at the general meeting, being the close of business on Friday, 11 January 2019 or such other date or time as the JSE may direct;
“VAT”	value added tax as defined in the Value Added Tax Act, 1991, as amended; and
“VWAP”	volume weighted average traded price per eXtract share.



GROUP

eXtract Group Limited

(previously Eqstra Holdings Limited)

(Incorporated in the Republic of South Africa)

(Registration number 1998/011672/06)

JSE share code: EXG ISIN: ZAE000246013

(“eXtract” or the “Company”)

Directors

Frank Davidson (*Lead Independent Non-Executive Director*)

Jannie Serfontein (*Chief Executive Officer and Financial Director*)

Andrew Hannington (*Independent Non-Executive Director*)

Nelis Leonard (*Independent Non-Executive Director*)

CIRCULAR TO EXTRACT SHAREHOLDERS

PART A: THE DELISTING AND THE OFFER

1. INTRODUCTION

- 1.1 In the firm intention announcement released on SENS on Thursday, 18 October 2018, eXtract shareholders were advised that the eXtract board had 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.
- 1.2 In compliance with the JSE Listings Requirement that the delisting must be accompanied by an offer (that must be fair) to be made to holders of all the Company’s listed securities, the Company has procured a commitment from the offeror, in terms of which, subject to the delisting being approved, the offeror will make a general offer to acquire all eXtract shares from any shareholder who, post the approval of the delisting, either cannot or does not wish to continue to hold eXtract shares in an unlisted structure. The offer will be made in compliance with the relevant provisions of Chapter 5 of the Companies Act and the Takeover Regulations.
- 1.3 The delisting and offer will be implemented on the basis that shareholders are afforded an opportunity to either monetise their investment in eXtract at a fair price or to continue to hold shares in eXtract in an unlisted environment. Save to the extent that the general offer is accepted by at least 90% of offerees (which will entitle the offeror to invoke the squeeze-out provisions contemplated in section 124 of the Companies Act and thereby acquire all eXtract shares not already owned by the offeror and its associates) all shareholders will be entitled to elect to remain invested in eXtract and, any shareholder who does not wish to accept the general offer may retain its shareholding in eXtract post the delisting.
- 1.4 The purpose of this circular is, *inter alia*, to:
 - 1.1.1 provide eXtract shareholders with information regarding the offer and the delisting and the manner in which they will be implemented; and
 - 1.1.2 convene a general meeting of shareholders to be held at 10:00 on Monday, 21 January 2019.

2. RATIONALE FOR THE DELISTING AND THE OFFER

- 2.1 The board is of the opinion that the Company’s listing on the JSE no longer benefits the Company due to:
 - 1.1.3 the high costs associated with maintaining a listing;
 - 1.1.4 the company no longer having substantial business activities;

- 1.1.5 the significant time and energy spent by the Company's executives on ensuring compliance with the JSE Listings Requirements and other regulatory requirements;
 - 1.1.6 the lack of liquidity in eXtract's shares; and
 - 1.1.7 the low probability of using eXtract shares as currency to raise capital or to effect acquisitions.
- 2.2 In terms of paragraph 1.15 of the JSE Listings Requirements, the delisting must be accompanied by an offer to all shareholders, which offer must be fair.
 - 2.3 The Company is unable to make an offer to eXtract shareholders itself to repurchase eXtract shares and accordingly procured the offer from the offeror to facilitate the delisting.
 - 2.4 The offeror has agreed to make the offer as a mechanism to facilitate the delisting.

3. THE DELISTING

- 3.1 The JSE has granted approval for the delisting of eXtract from the main board of the JSE in terms of sections 1.14 and 1.15 of the JSE Listings Requirements, resulting in the termination of the Company's listing on the JSE, with effect from the commencement of trade on the second business day after the closing date, subject to the delisting being approved by more than 50% of the votes of all shareholders present in person or represented by proxy at the general meeting.
- 3.2 eXtract does not have a controlling shareholder. Accordingly, all eXtract shareholders will be entitled to vote on the delisting resolution at the general meeting.

4. THE OFFER

1.1 The offer and offer consideration

- 1.1.1 Inhlanhla Trust Investments hereby makes an offer, subject to the fulfilment of the conditions precedent, to acquire from eXtract shareholders all the eXtract shares in respect of which it receives valid acceptances prior to the closing date.
- 1.1.2 The offer will be made for a cash consideration of R6.00 per eXtract share payable against delivery of registered and beneficial ownership of the relevant shares into the name of the offeror.
- 1.1.3 The offer consideration of R6.00 per eXtract share represents:
 - 1.1.3.1 the closing price of R6.00 per eXtract share;
 - 1.1.3.2 a premium of 1.27% to the 5-day VWAP of R5.92 per eXtract share;
 - 1.1.3.3 a premium of 0.19% to the 10-day VWAP of R5.99 per eXtract share;
 - 1.1.3.4 a discount of 2.14% to the 20-day VWAP of R6.13 per eXtract;
 - 1.1.3.5 a premium of 7.29% to the 30-day VWAP of R5.59 per eXtract share;
 - 1.1.3.6 a premium of 2.63% to the 60-day VWAP of R5.85 per eXtract share; and
 - 1.1.3.7 a discount of 1.73% to the 90-day VWAP of R6.11 per eXtract share, as at Friday, 31 August 2018, being the date of the cautionary announcement.
- 1.1.4 The offer consideration of R6.00 per eXtract share represents:
 - 1.1.4.1 a premium of 5.26% to the closing price of R5.70 per eXtract share;
 - 1.1.4.2 a premium of 6.44% to the 5-day VWAP of R5.64 per eXtract share;
 - 1.1.4.3 a premium of 6.42% to the 10-day VWAP of R5.64 per eXtract share;
 - 1.1.4.4 a premium of 4.67% to the 20-day VWAP of R5.73 per eXtract share;
 - 1.1.4.5 a discount of 1.26% to the 30-day VWAP of R6.08 per eXtract share;
 - 1.1.4.6 a discount of 4.61% to the 60-day VWAP of R6.29 per eXtract share; and
 - 1.1.4.7 a premium of 1.90% to the 90-day VWAP of R5.89 per eXtract share, as at Thursday, 18 October 2018, being the date of the firm intention announcement.

1.2 Offer period

The offer will open at 09:00 on Friday, 21 December 2018 and will remain open until 12:00 on the closing date.

- 1.2.1 The offer will be open for acceptances by offerees for a period of at least 30 business days as required by Regulation 102(4) of the Takeover Regulations.
- 1.2.2 In terms of Regulation 105(5)(b) of the Takeover Regulations, an offer that has become unconditional must remain open for at least 10 business days after the date on which the offer is announced as being unconditional.
- 1.2.3 The offer remains conditional upon, *inter alia*, eXtract shareholder approval and approval of the Competition Authorities. It is anticipated that the offer will become wholly unconditional on or about Wednesday, 13 February 2019. Accordingly, it is anticipated that the offer will close on Friday, 1 March 2019.

1.3 Remaining eXtract shares

eXtract shareholders who do not accept the offer will remain eXtract shareholders in respect of their unlisted shares, save to the extent that the offer is accepted by at least 90% of the offerees (which will entitle the offeror to invoke the squeeze-out provisions contemplated in section 124 of the Companies Act and thereby acquire all eXtract shares not already owned by the offeror and its associates).

1.4 Conditions precedent

The offer remains conditional upon:

- 1.4.1 the delisting being approved by eXtract shareholders at a general meeting, in terms of the JSE Listings Requirements;
- 1.4.2 to the extent necessary, the securing of any approval required by the Competition Authorities; and
- 1.4.3 prior to eXtract shareholders approving the delisting, there should not have arisen or occurred any material adverse event which could reasonably be expected to be adverse with regard to the operations/continued existence of the business, assets or liabilities of eXtract which the offeror lawfully relies on and issues notification to the Company (to be received prior to the delisting resolution being voted on) withdrawing the offer.

1.5 Ability to proceed with the offer

- 1.5.1 The offeror has confirmed to the eXtract board that the offeror has sufficient funds to fully satisfy the cash offer commitment.
- 1.5.2 The offeror has delivered an irrevocable unconditional confirmation in accordance with Regulations 111(4) and 11(5) of the Takeover Regulations from Rapeport Inc. to the TRP that sufficient funds are available to satisfy the cost of the offer consideration.

1.6 Acceptances irrevocable

- 1.6.1 Subject to paragraph 4.6.2 below, all acceptances of the offer received by the transfer secretaries, the offeror or the relevant CSDP or broker prior to the closing date will be irrevocable.
- 1.6.2 Acceptances of the offer may be withdrawn by written notice to the offeror, if the offer has not been declared wholly unconditional by midnight on the 65th business day after the opening date.

1.7 Transaction receipts

No receipts will be issued by eXtract's transfer secretaries or the offeror for forms of acceptance unless specifically requested to do so by the eXtract shareholder in question. Lodging agents who require special transaction receipts are requested to prepare such receipts and to submit them for stamping by eXtract's transfer secretaries together with the form of acceptance.

1.8 **Applicable law**

- 1.8.1 The offer is made in compliance with the requirements of the Takeover Regulations and is governed by and subject to the provisions of the laws of South Africa and will be subject to the exclusive jurisdiction of a South African court.
- 1.8.2 Each offer participant will be deemed by his acceptance to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the offer and acceptance thereof.

1.9 **Offer not made where illegal**

- 1.9.1 The legality of the offer to persons resident in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction.
- 1.9.2 Such persons should acquaint themselves with any applicable legal requirements which they are obligated to observe.
- 1.9.3 It is the responsibility of any offeree wishing to accept the offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith.
- 1.9.4 In particular, the offer is not being made, directly or indirectly, in or into any jurisdiction where it is illegal for the offer to be made or accepted (“**affected jurisdictions**”) or by the use of mail, or by means or instrumentality of inter-state or foreign commerce of, or any facility of a national securities exchange of any of the affected jurisdictions.
- 1.9.5 Persons wishing to accept the offer should not use the mail of any of the affected jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the offer.
- 1.9.6 Envelopes containing forms of acceptance, transfer and surrender or other documents relating to the offer should not be post-marked in any of the affected jurisdictions or otherwise dispatched from any of the affected jurisdictions and all acceptors must provide addresses outside the affected jurisdictions for receipt of the offer consideration to which they are entitled under the offer.
- 1.9.7 If received in any jurisdiction where it is illegal for the offer to be made or accepted, this document should be treated as being received for information only.

1.10 **Approvals, consents and undertakings received**

- 1.10.1 The offeror has obtained the necessary authorisations and approvals from its board and shareholders, to the extent applicable, to proceed with the offer.
- 1.10.2 The TRP and the JSE have both approved this circular.

1.11 **Tax implications for offerees**

The tax treatment of offerees is dependent on the individual circumstances and the jurisdiction applicable to such offerees. It is recommended that, if offerees are uncertain about the tax treatment of the receipt of the offer consideration, they should seek appropriate advice in this regard.

1.12 **Other terms of the offer**

- 1.12.1 The offer may be amended, varied or revised in such a manner as the offeror in its sole discretion may determine, provided that no such amendment, variation or revision shall be made unless:
 - 1.12.1.1 the prior consent of the TRP has been obtained;
 - 1.12.1.2 there is no diminution in the value of the offer consideration offered; and
 - 1.12.1.3 an announcement on SENS or press release containing the amended, varied or revised offer is made prior to the closing time and date of the offer or such other date which is approved by the TRP.
- 1.12.2 In addition to the above, no amendment to, or variation of the offer will be valid unless made in writing and signed by a duly authorised representative of the offeror. Without prejudice to its other rights, the offeror reserves the right to condone, in its sole discretion, the non-observance by any shareholder of any of the terms or conditions of the offer. If the offer is amended, varied or revised in a manner which makes it more favourable to the shareholders, the benefit of such improved offer will automatically accrue to any shareholder who has accepted the offer prior to the amendment, variation or revision being made.

- 1.12.3 The acceptance by or on behalf of such shareholders of the offer in its original or previous form shall be deemed to be an acceptance of any improved offer pursuant to any such amendment, variation or revision and shall constitute an irrevocable authority and power of attorney in *rem suam* to any director or duly authorised representative of the offeror:
- 1.12.3.1 to accept such amended, varied or revised offer on behalf of such shareholder; and
 - 1.12.3.2 to execute on behalf of and in the name of such shareholder all such further documents (if any) as may be required to give effect to such acceptance.

5. PROCEDURE FOR ACCEPTANCE OF THE OFFER

1.13 Certificated shareholders

- 1.13.1 The provisions of this paragraph 5.1 do not apply to dematerialised shareholders who elect to accept the offer.
- 1.13.2 Certificated shareholders who wish to accept the offer are required to complete the attached form of acceptance and return it to the transfer secretaries together with their documents of title in respect of their offer shares, at their own risk, to be received by no later than 12:00 on the closing date. If a form of acceptance is not received by 12:00 on the closing date, such certificated shareholder will be deemed to have declined the offer. No late acceptances will be considered if received by the transfer secretaries after 12:00 on the closing date.
- 1.13.3 If the documents of title relating to the shares held by a certificated shareholder have been lost or destroyed, eXtract shareholders should nevertheless return a duly completed form of acceptance together with an indemnity on terms satisfactory to eXtract and the offeror. The offeror and eXtract may, in their sole discretion, dispense with the surrender of such documents of title upon production of satisfactory evidence that the documents of title have been lost or destroyed and upon provision of an indemnity on terms acceptable to the offeror and eXtract. Unless otherwise agreed by the offeror and eXtract, only indemnity forms obtained from the transfer secretaries (available on request) will be regarded as suitable. The offeror and eXtract shall be entitled, in their absolute discretion, by way of agreement to waive the requirement of an indemnity.
- 1.13.4 No receipt will be issued for documents of title surrendered unless specifically requested. In order to comply with the requirements of the JSE, lodging agents must prepare special transaction receipts, if required.

1.14 Dematerialised shareholders

- 1.14.1 Dematerialised shareholders who wish to accept the offer are required to notify their CSDPs or brokers of their acceptance in the manner and by the deadline stipulated in the custody agreement concluded between the holders of dematerialised eXtract shares and their CSDPs or brokers, as the case may be. If no instruction is given to their CSDPs or brokers, or if there is any doubt or dispute in respect of their acceptance, such dematerialised shareholders will be deemed to not have accepted the offer. Dematerialised shareholders must not complete the attached form of acceptance. The CSDP or broker of a dematerialised shareholder who wishes to accept the offer must notify the transfer secretaries of such acceptance of the offer.
- 1.14.2 The offeror reserves the right, in its sole and absolute discretion, to:
- 1.14.2.1 in respect of certificated shares, treat as invalid forms of acceptance, transfer and surrender not accompanied by valid documents of title;
 - 1.14.2.2 treat as invalid forms of acceptance, transfer and surrender not properly completed;
 - 1.14.2.3 require proof of the authority of the person signing the form of acceptance where such proof has not been lodged with or recorded by the transfer secretaries; and
 - 1.14.2.4 without prejudice to any of its rights, the offeror reserves the right to condone, in its sole discretion, the non-performance by any offeree of any of the terms of the offer.

1.15 Settlement of the offer consideration

- 1.15.1 Certificated shareholders who accept the offer will have the offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the payment date, being within 6 business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries with the last payment date being the first business day after the closing date.
- 1.15.2 Dematerialised shareholders who accept the offer will have their accounts at their CSDP or broker updated with the offer consideration by no later than the payment date, being within 6 business days after the date on which the CSDPs or brokers of such eXtract shareholders notify the transfer secretaries of their acceptance of the offer with the last payment date being the first business day after the closing date.
- 1.15.3 If the offer consideration is not sent to shareholders entitled thereto because the relevant documents of title and forms of acceptance have not been surrendered, or if the offer consideration is returned undelivered to the transfer secretaries, the offer consideration will be held by the offeror or the transfer secretaries, on behalf of and for the benefit of such certificated shareholders, until claimed and no interest will accrue thereon. This paragraph does not apply to dematerialised shares held by shareholders.
- 1.15.4 The settlement of the offer consideration to which any offeree becomes entitled in terms of the offer will be implemented in full in accordance with the terms of the offer without regard to any lien, right of set-off, counter-claim or any other analogous right to which the offeror may be entitled.
- 1.15.5 The settlement of the offer consideration for both dematerialised shareholders and certificated shareholders will be made subject to the Exchange Control Regulations.

6. SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

The settlement of the offer consideration for both the certificated shareholders and dematerialised shareholders will be made subject to the Exchange Control Regulations. The following is a summary of the applicable Exchange Control Regulations. The remaining shareholders that are to receive the offer consideration who are not resident in South Africa, or who have registered addresses outside South Africa (as the case may be), must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the offer consideration. This includes obtaining any required governmental or other consents, observing any other required formalities and paying any transfer or other taxes due in that jurisdiction. If any remaining shareholder is in any doubt, he/she should consult his professional advisers without delay.

1.16 Residents of the Common Monetary Area:

In the case of:

- 1.16.1 certificated shareholders whose registered addresses in the register are within the Common Monetary Area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the offer consideration will be transferred to such certificated shareholders, in accordance with paragraph 5.1 above; or
- 1.16.2 dematerialised shareholders whose registered addresses in the register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the offer consideration will be credited directly to the accounts nominated for the relevant dematerialised shareholders by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

1.17 Emigrants from the Common Monetary Area

In the case of shareholders who are emigrants from the Common Monetary Area and whose shares form part of their blocked assets, the offer consideration will:

- 1.17.1 in the case of certificated shareholders whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling the offeree's blocked assets in terms of the Exchange Control Regulations, against delivery of the relevant documents of title. The attached form of acceptance makes provision for the details of the authorised dealer concerned to be given; or

- 1.17.2 in the case of dematerialised shareholders whose registered addresses in the register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSDP or broker which shall arrange for same to be credited directly to the blocked Rand bank account of the shareholder concerned with their authorised dealer in foreign exchange in South Africa.

1.18 All other non-residents of the Common Monetary Area

The offer consideration accruing to non-resident remaining shareholders whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will, in the case of:

- 1.18.1 certificated shareholders whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, be deposited with their authorised dealer in foreign exchange in South Africa nominated by such certificated shareholder; or
- 1.18.2 dematerialised shareholders, be paid to their duly appointed CSDP or broker and credited to such remaining shareholders in terms of the provisions of the custody agreement with their CSDP or broker.

1.19 Information not provided

If the information regarding authorised dealers is not given or the instructions are not given as required in terms of paragraph 6.2 to 6.3, the offer consideration will be held in trust by the offeror or the transfer secretaries on behalf of the offeror for the remaining shareholders concerned, pending receipt of the necessary information or instructions. Should no information or instructions be received for three years after the closing date, the offer consideration will be donated to a charitable organisation of the offeror's choice.

7. INTERESTS OF THE OFFEROR AND ITS DIRECTORS IN EXTRACT AND THE OFFEROR

1.20 Interest of the offeror in eXtract

- 1.20.1 The offeror has disclosed the following shareholdings in eXtract held by the offeror, persons related to the offeror and/or persons acting in concert with the offeror:

Shareholder	Number of shares	% of issued shares
Inhlanhla Trust Investments	5 544 625	26.01
DS Brouze	448 835	2.11
K2015295667 (SA) Proprietary Limited	31 447	0.15
JJ Brouze	2 431	0.01
N Brouze	2 431	0.01
Total	6 029 769	28.29

- 1.20.2 There has been no trade by the offeror, persons related to the offeror and/or persons acting in concert with the offeror in eXtract securities in the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date save for:

- 1.20.2.1 the acquisition by Inhlanhla Trust Investments of 1 235 628 eXtract shares on 18 September 2018, pursuant to an off-market unbundling by Wild Rose Capital Proprietary Limited of eXtract shares held by it. Subsequently, Inhlanhla Trust Investments unbundled 217 417 eXtract shares to shareholders of Wild Rose Capital Proprietary Limited;
- 1.20.2.2 the acquisition by Inhlanhla Trust Investments of 55 195 eXtract shares at R6.00 per eXtract share on 16 November 2018, for an aggregate consideration of R331 170 pursuant to an on-market transaction;
- 1.20.2.3 the acquisition by Inhlanhla Trust Investments of 588 224 eXtract shares at R6.00 per eXtract share on 21 November 2018, for an aggregate consideration of R3 529 344 pursuant to an on-market transaction;
- 1.20.2.4 the acquisition by Inhlanhla Trust Investments of 130 000 eXtract shares at R6.00 per eXtract share on 22 November 2018, for an aggregate consideration of R780 000 pursuant to an on-market transaction;

- 1.20.2.5 the acquisition by Inhlanhla Trust Investments of 300 000 eXtract shares at R6.00 per eXtract share on 23 November 2018, for an aggregate consideration of R1 800 000 pursuant to an on-market transaction; and
- 1.20.2.6 the acquisition by Inhlanhla Trust Investments of 156 185 shares at R6.00 per share on 3 December 2018, for an aggregate consideration of R937 110 pursuant to an on-market transaction.

1.21 **Interests of the directors of the offeror in the offeror and eXtract**

- 1.21.1 As at the last practicable date, The Inhlanhla Trust owns 100% of the issued share capital of Inhlanhla Trust Investments.
- 1.21.2 There have been no dealings in the offeror's securities by The Inhlanhla Trust in the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date.
- 1.21.3 As at the last practicable date, Mark Stewart is the sole director of the offeror.
- 1.21.4 As at the last practicable date, the direct and indirect beneficial interests of the director of the offeror in eXtract shares were as follows:

Name	Direct	Indirect	Total	%
Mark Stewart	–	729	729	–
Total	–	729	729	–

- 1.21.5 There have been no dealings in eXtract shares by Mark Stewart during the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date.

1.22 **Directors' interests in the offer**

Save as set out in paragraph 7.2 above, Mark Stewart will not benefit directly or indirectly, in any manner as a consequence of the implementation of the offer.

1.23 **Directors' interests in other transactions**

Mark Stewart has not had any material beneficial interests, whether direct or indirect, in transactions that were effected by the offeror during the current or immediately preceding financial year or during an earlier financial year which remains in any respect outstanding or unperformed.

8. **ARRANGEMENTS IN RELATION TO THE OFFER**

- 8.1 Save for the firm offer letter, the salient features of which are set out in paragraph 4 of Part A of this circular, no agreement exists between the offeror and eXtract which could be considered material to a decision regarding the offer to be taken by eXtract shareholders.
- 8.2 As at the last practicable date, save for the firm offer letter, no arrangements, agreements or understandings which have any connection with or dependence on the offer exist between eXtract and the offeror, the director of the offeror, or any persons who were directors of the offeror within the 12 months preceding the last practicable date, the shareholder of the offeror or any persons who were holders of the offeror shares within the 12 months preceding the last practicable date.

9. **RELATED AND CONCERT PARTIES**

- 9.1 There are no related and concert party relationships that will arise as a result of the offer.
- 9.2 Save as disclosed in paragraph 10 below, no agreements exist between the offeror and any of the parties mentioned in paragraphs (i) to (iii) of Regulation 106(4)(e) of the Takeover Regulations.

10. **EXTRACT SHAREHOLDER SUPPORT**

- 10.1 Irrevocable undertakings to vote in favour of the delisting and not accept the offer have been received from the following eXtract shareholders holding in aggregate 5 290 653 eXtract shares, representing 23.47% of all eXtract shares and 30.30% of eXtract shares excluding the offeror.

Shareholder/ asset manager	Number of shares	% of issued shares	% of issued shares (excluding the offeror)
Samvenice Trading Proprietary Limited	1 367 895	6.42	8.95
Sweet Valley Enterprises Corporation Limited	2 264 924	10.63	14.82
Ellerine Group Proprietary Limited	582 470	2.73	3.81
Prodiam Trading CC	1 075 364	5.05	7.03
Total	5 290 653	23.47	34.61

10.2 Other than as disclosed in **Annexure 5**, there have been no dealings in eXtract shares by the eXtract shareholders set out in the paragraph 10.1 above, for the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date.

10.3 None of the eXtract shareholders set out in the paragraph 10.1 above have any interests in the offeror's shares.

10.4 There have been no dealings in the offeror's shares by the eXtract shareholders set out in the paragraph 10.1 above, for the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date.

10.5 Sentio Capital Management Proprietary Limited has provided an irrevocable undertaking to vote in favour of the delisting respect of 998 310 eXtract shares (representing 4.68% of all issued eXtract shares and 6.05% of eXtract shares excluding the offeror) but has not provided any undertaking to not accept the offer.

11. THE MANDATORY OFFER

The offeror, persons related to the offeror and/or persons acting in concert with the offeror currently hold 6 029 769 shares, being 28.29% of the issued shares of eXtract. If, pursuant to the general offer, the offeror or persons related or inter-related to or acting in concert with the offeror acquire voting rights in eXtract shares that enables them to exercise 35% or more of the voting rights in eXtract, this will trigger the requirement to make a mandatory offer to eXtract minority shareholders in terms of section 123 of the Companies Act. Accordingly, should the offeror trigger the requirement to make a mandatory offer to eXtract minority shareholders, the general offer will be automatically converted into a mandatory offer on the same terms and conditions as set out in this circular and for the same offer consideration of R6.00 per eXtract share.

12. CONSENTS

Each of the corporate advisor, JSE sponsor, transfer secretaries, independent expert and company secretary have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

13. PRELIMINARY AND ISSUE EXPENSES

13.1 The expenses (excluding VAT) relating to the offer and the delisting which have been incurred or that are expected to be incurred are presented in the table below.

Expense	Recipient	R'000
Corporate advisor and JSE sponsor fees	Java Capital	1 750
Independent expert fees	Mazars	190
JSE documentation inspection fees	JSE	35
TRP documentation inspection fees	TRP	85
Printing, publication and distribution costs	Ince	90
Transfer secretaries	Computershare	50
Contingency costs		60
Total		2 270

13.2 The offeror has agreed to make a contribution of R200 000 towards the cost of the offer.

14. OFFEROR RESPONSIBILITY STATEMENT

The director of the offeror:

- 14.1 confirms that Part A of this circular contains all information required by the TRP and the JSE Listings Requirements;
- 14.2 accepts full responsibility for the accuracy of the information given in Part A of this circular;
- 14.3 has considered all statement of fact and opinion in this circular and accepts full responsibility for the information contained in Part A of this circular;
- 14.4 certifies that, to the best of his knowledge and belief, the information contained in Part A of this circular is true and correct;
- 14.5 certifies that, to the best of his knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading; and
- 14.6 has made all reasonable enquiries in this regard.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection during normal business hours at the registered offices of eXtract and at the offices of the JSE sponsor, from the date of issue of this circular to the closing date:

- 15.1 a signed copy of this circular;
- 15.2 the MOI of the offeror;
- 15.3 the irrevocable undertakings referred to in paragraph 10 of this circular;
- 15.4 the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations; and
- 15.5 the signed letters of consent referred to in paragraph 12 of this circular.

For and on behalf of Inhlanhla Trust Investments Proprietary Limited

This circular was signed in Johannesburg on behalf of all the directors in terms of a written resolution signed by each of the directors on or about 10 December 2018.

Signed on behalf of the board

Mark Stewart
Chief Executive Officer

20 December 2018



GROUP

eXtract Group Limited

(previously Eqstra Holdings Limited)

(Incorporated in the Republic of South Africa)

(Registration number 1998/011672/06)

JSE share code: EXG ISIN: ZAE000246013

("eXtract" or the "Company")

Directors

Frank Davidson (*Lead Independent Non-Executive Director*)

Jannie Serfontein (*Chief Executive Officer and Financial Director*)

Andrew Hannington (*Independent Non-Executive Director*)

Nelis Leonard (*Independent Non-Executive Director*)

CIRCULAR TO EXTRACT SHAREHOLDERS

PART B: EXTRACT RESPONSE CIRCULAR

1. INTRODUCTION

This circular contains the response by the independent board of eXtract to the offer proposed by Inhlanhla Trust Investments, as described in Part A of this circular.

2. RATIONALE FOR THE DELISTING AND THE OFFER

2.1 The board is of the opinion that the Company's listing on the JSE no longer benefits the Company due to:

1.1.1 the high costs associated with maintaining a listing;

1.1.2 the company no longer having substantial business activities;

1.1.3 the significant time and energy spent by the Company's executives on ensuring compliance with the JSE Listings Requirements and other regulatory requirements;

1.1.4 the lack of liquidity in eXtract's shares; and

1.1.5 the low probability of using eXtract shares as currency to raise capital or to effect acquisitions.

2.2 In terms of paragraph 1.15 of the JSE Listings Requirements, the delisting must be accompanied by an offer to all shareholders, which offer must be fair.

2.3 The Company is unable to make an offer to eXtract shareholders itself to repurchase eXtract shares and accordingly procured the offer from the offeror to facilitate the delisting.

2.4 The offeror has agreed to make the offer as a mechanism to facilitate the delisting.

3. THE DELISTING

3.1 The JSE has granted approval for the delisting of eXtract's shares from the main board of the JSE in terms of sections 1.14 and 1.15 of the JSE Listings Requirements, resulting in the termination of the Company's listing on the JSE, with effect from the commencement of trade on the second business day after the closing date, subject to the delisting being approved by more than 50% of the votes of all shareholders present in person or represented by proxy at the general meeting.

3.2 eXtract does not have a controlling shareholder. Accordingly, all eXtract shareholders will be entitled to vote on the delisting resolution at the general meeting.

4. THE GENERAL MEETING

A general meeting of eXtract shareholders will be held at 10:00 on Monday, 21 January 2019 at the registered offices of the Company for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out in the notice of general meeting. A notice convening such general meeting is attached to and forms part of this circular.

5. COMPOSITION OF THE INDEPENDENT BOARD

The independent board comprises Frank Davidson, Jannie Serfontein, Andrew Hannington and Nelis Leonard.

6. APPOINTMENT OF INDEPENDENT EXPERT

The independent board has appointed Mazars as its independent expert to provide the independent board with its opinion as to whether the terms of the offer are fair and reasonable to eXtract shareholders, in accordance with the requirements of the Takeover Regulations as well as the JSE Listings Requirements.

7. OPINION OF THE INDEPENDENT EXPERT

Mazars, acting as independent expert, has considered the terms of the offer and is of the opinion that, as at the date of the issue of its opinion, the offer is fair and reasonable to eXtract shareholders. The independent expert's opinion is set out in **Annexure 1** of this circular.

8. VIEWS OF THE INDEPENDENT BOARD

- 8.1 As contemplated in Regulation 110(3) of the Takeover Regulations, in order for an independent board to express an opinion on an offer and on the offer consideration, it must either perform a valuation of the offeree regulated company's securities that are the subject of an offer, or place reliance upon a valuation of the offeree regulated company's securities that are the subject of an offer, as performed by an independent expert after performing the requisite amount of work that satisfies the independent board that it is justified in placing reliance upon that valuation.
- 8.2 In terms of Regulation 110(6) of the Takeover Regulations, the independent board must consider factors that are difficult to quantify, or are unquantifiable, and must disclose such factors and take them into account in forming its opinion in respect of fairness. The independent board must also form a view of a range of fair value of the offeree regulated company securities, based upon an accepted valuation approach, as contemplated in Regulation 110(7) of the Takeover Regulations.
- 8.3 For the purposes of this circular, in determining whether the offer consideration may generally be considered to be "fair" and "reasonable" the meaning ascribed to the word "fair" and "reasonable" in the Takeover Regulations are applied. In this regard it is noted that:
 - 1.1.6 in accordance with Regulation 110(8) of the Takeover Regulations, an offer with a consideration per offeree regulated company security within a fair-value range is generally considered to be fair;
 - 1.1.7 an offer with an offer consideration per offeree regulated company security above the offeree regulated company's traded security price at the time the offer consideration per security was announced, or at some more appropriate identifiable time, is generally considered to be reasonable in terms of Regulation 110(9) of the Takeover Regulations.
- 8.4 In terms of paragraph 1.15 of the JSE Listings Requirements, a delisting must be accompanied by an offer to all shareholders, which offer must be fair.
- 8.5 The independent board, after due consideration of the report of the independent expert, has determined that it will place reliance on the valuation performed by the independent expert for the purposes of reaching its own opinion regarding the offer and the offer consideration as contemplated in Regulation 110(3)(b) of the Takeover Regulations.
- 8.6 The independent board has considered the following factors which are difficult to quantify or are unquantifiable (as contemplated in Regulation 110(6) of the Takeover Regulations) in forming its opinion:
 - 1.1.8 the factors identified in the independent expert's report;
 - 1.1.9 the NAV per share of eXtract had deteriorated from R11.13 reported for the interim period ending 28 February 2018 to R8.40 for the year ended 31 August 2018;

- 1.1.10 such deterioration in the eXtract NAV per share was largely a consequence of the difficulty experienced in being able to sell the assets at their book values given the deteriorating economic climate together with the fact that there is a small number of potential buyers for the type of assets that the Company is seeking to dispose of as well as ongoing operational and listing costs;
- 1.1.11 an assessment has been made of the recoverability of assets on the balance sheet and at what consideration these assets could realistically be expected to be sold under a managed sale process within the current economic environment. The current challenging market conditions are expected to endure over the period in which the realisation process would be implemented;
- 1.1.12 the remaining assets on the balance sheet as at 31 August 2018 effectively represent second-tier used equipment and inventory that would be more challenging to market and successfully dispose of;
- 1.1.13 some of the key debtors of the Company have fallen into financial distress and there is little prospect of being able to recover the amounts owed to the Company from these debtors; and
- 1.1.14 if the asset realisation strategy were to be implemented within the current corporate structure as a public company listed on the JSE, it will involve the Company having to incur significant ongoing costs and expenses associated with its JSE listing that would over time continue to deplete the NAV of eXtract. The expected present value of these ongoing corporate costs and expenses represents a significant discount to the NAV of the Company.
- 8.7 The independent expert determined a fair value range of between R5.47 and R6.07 per eXtract share with a core value of R5.78 per eXtract share.
- 8.8 The independent board has formed a view of the range of the fair value of the eXtract shares, which accords with the valuation range contained in the independent expert's report, in considering its opinion and recommendation.
- 8.9 **The view of the independent board is that the general offer is fair.** This is a function of the offer consideration falling within the fair value range determined in respect of the eXtract shares.
- 8.10 **The independent board has concluded that the offer consideration is reasonable.** In this regard it is noted that the offer consideration per eXtract share is above the closing price of eXtract shares on the day prior to the date of the firm intention announcement and above the VWAP for eXtract shares for 5, 10 and 20 days prior to the date of the firm intention announcement. In addition, the offer consideration is at the closing price of eXtract shares on the day prior to the date of the cautionary announcement and above the VWAP for eXtract shares for the 5, 10 and 30 days prior to the date of the cautionary announcement.

9. MAJOR AND CONTROLLING SHAREHOLDERS

- 9.1 Set out below are the names of shareholders (other than directors) that are directly or indirectly, beneficially interested in 5% or more of the issued shares of eXtract shares as at the last practicable date.

Name of shareholder	Number of shares	% of shares in issue
Inhlanhla Trust Investments	5 544 625	26.01
PSG Asset Management	3 016 760	14.16
Sweet Valley Enterprises	2 264 924	10.63
Prudential Asset Management	2 115 057	9.93
Samvenice Trading	1 367 895	6.42
Prodiam Trading CC	1 075 364	5.05
Total	15 384 625	72.20

- 9.2 As at the last practicable date eXtract does not have a controlling shareholder.

10. INTERESTS OF EXTRACT AND ITS DIRECTORS IN THE OFFEROR AND EXTRACT

1.1 Interests of eXtract in the offeror

- 1.1.1 As at the last practicable date, eXtract held no interest in any shares of the offeror.
- 1.1.2 There has been no trade by eXtract in the shares of the offeror in the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date.

1.2 Interests of the directors of eXtract in eXtract and the offeror

- 1.2.1 Set out below are the direct and indirect beneficial interests of the directors in the issued share capital of eXtract as at the last practicable date:

Director	Direct holding	Indirect holding	Total shares held	% of issued shares
Jannie Serfontein	76 820	4 263	81 083	0.38
Nelis Leonard	618	–	618	–
Total	77 438	4 263	81 701	0.38

- 1.2.2 There have been no dealings in eXtract shares by the directors of eXtract in the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date, save for the acquisition by Jannie Serfontein of 45 964 eXtract shares at R6.75 per eXtract share on 25 June 2018, for an aggregate consideration of R310 257, pursuant to an off-market receipt of shares in terms of an *in specie* distribution under the enX Forfeitable Share Scheme.
- 1.2.3 As at the last practicable date, none of the directors of eXtract held any interest in any shares of the offeror.
- 1.2.4 There have been no dealings in any shares of the offeror during the period commencing six months before the date of the firm intention announcement, being Thursday, 18 October 2018, and ending on the last practicable date.
- 1.2.5 Jannie Serfontein and Nelis Leonard do not intend accepting the offer and intend voting in favour of the delisting.

1.3 Directors' service contracts

- 1.3.1 There will be no material change in the remuneration of directors of eXtract as a consequence of the offer. It is anticipated that the board will be reconstituted upon implementation and as a consequence of the delisting and the offer.
- 1.3.2 No payment or other benefit will be made or given by eXtract to any director of eXtract for compensation for loss of office or as consideration for, or in connection with, his/her retirement from office as a consequence of the offer.
- 1.3.3 Jannie Serfontein has entered into a standard service contract with eXtract, which contract is terminable by one months' written notice by either eXtract or Jannie Serfontein. No restraints of trade have been imposed on Jannie Serfontein and no payments have been made in this regard.
- 1.3.4 Save as set out above, no service contracts have been entered into or amended within six months before the firm intention date.

1.4 Directors' interests in the offer

Save as set out in paragraph 10.2 above, no directors of eXtract will benefit directly or indirectly, in any manner as a consequence of the implementation of the offer or the delisting.

1.5 Directors' interests in other transactions

The directors of eXtract have not had any material beneficial interests, whether direct or indirect, in transactions that were effected by eXtract during the current or immediately preceding financial year or during an earlier financial year which remains in any respect outstanding or unperformed.

11. HISTORICAL FINANCIAL INFORMATION

- 11.1 The audited consolidated financial statements of eXtract for the years ended 31 August 2017, 30 June 2016 and 30 June 2015 are set out in **Annexure 2** of this circular.
- 11.2 The unaudited consolidated financial statements of eXtract for the six months ended 28 February 2018 are set out in **Annexure 3** of this circular.
- 11.3 The audited consolidated financial statements of eXtract for the year ended 31 August 2018 are set out in **Annexure 3** of this circular.
- 11.4 The historical financial information of eXtract is the responsibility of the directors of eXtract.

12. TRADING INFORMATION

The trading history of eXtract's shares on the JSE is set out in **Annexure 4**.

13. CONSENTS

Each of the corporate advisor, JSE sponsor, transfer secretaries, independent expert and company secretary have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

14. COSTS OF THE OFFER

The preliminary issue and expenses in respect of the offer and the delisting are set out in paragraph 13 of Part A of this circular.

15. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The independent board:

- 15.1 confirms that Part B of this circular contains all information required by the TRP and the JSE Listings Requirements;
- 15.2 accepts, individually and collectively, full responsibility for the accuracy of the information given in Part B of this circular;
- 15.3 has considered all statements of fact and opinion in this circular and accepts full responsibility for the information contained in Part B of this circular;
- 15.4 certifies that, to the best of its knowledge and belief, the information contained in Part B of this circular is true and correct;
- 15.5 certifies that, to the best of its knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading; and
- 15.6 has made all reasonable enquiries in this regard.

16. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection during normal business hours at the registered offices of eXtract and at the offices of the JSE sponsor, from the date of issue of this circular to the closing date:

- 16.1 a signed copy of this circular;
- 16.2 the MOI of eXtract and its subsidiaries;
- 16.3 the independent fairness opinion regarding the offer;
- 16.4 the audited consolidated financial statements of eXtract for the years ended 31 August 2017, 30 June 2016 and 30 June 2015;
- 16.5 the unaudited consolidated financial statements of eXtract for the six months ended 28 February 2018;

- 16.6 the audited consolidated financial statements of eXtract for the year ended 31 August 2018;
- 16.7 the irrevocable undertakings referred to in paragraph 10 of Part A of this circular;
- 16.8 the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations; and
- 16.9 the signed letters of consent referred to in paragraph 13 of Part B of this circular.

For and on behalf of eXtract Group Limited

This circular was signed in Johannesburg on behalf of all the directors in terms of a written resolution signed by each of the directors on or about 10 December 2018.

Signed on behalf of the board

Jannie Serfontein
Chief Executive Officer

20 December 2018

INDEPENDENT FAIRNESS OPINION

“12 December 2018

The board of directors of eXtract Group Ltd
61 Maple Street,
Pomona,
Kempton Park,
Johannesburg,
1619

The Board of Directors,

INDEPENDENT FAIR AND REASONABLE OPINION TO THE BOARD OF DIRECTORS OF EXTRACT GROUP LIMITED (“EXTRACT”) IN TERMS OF SECTION 117(1)(C)(V) OF THE COMPANIES ACT 71 OF 2008 (THE “COMPANIES ACT”), REGULATION 90(1) OF THE COMPANIES ACT (“TAKEOVER REGULATIONS”) AND SCHEDULE 5.8 OF THE JSE LISTING REQUIREMENTS IN RESPECT OF THE GENERAL OFFER MADE BY INHLANHLA TRUST INVESTMENTS (“INHLANHLA”) TO EXTRACT SHAREHOLDERS TO ACQUIRE ALL OR PART OF THE THEIR SHAREHOLDING IN EXTRACT (“GENERAL OFFER”) AND THE SUBSEQUENT DELISTING OF EXTRACT FROM THE JSE

INTRODUCTION

The Board of Directors of eXtract (“**Board**”) has appointed Mazars Corporate Finance (Pty) Ltd (“**Mazars Corporate Finance**”) as the independent expert in accordance with section 114(2) of the Companies Act, and Section 1.15 (d) of the JSE Listing Requirements is to advise the shareholders of eXtract whether, in our opinion, the General Offer described below is fair to the minority shareholders of eXtract.

eXtract has procured a commitment from Inhlanhla, in which Inhlanhla proposes a General Offer in terms of the Companies Act between Inhlanhla and eXtract’s shareholders whereby Inhlanhla intends to acquire all eXtract shares from any shareholder who, post the approval of the delisting either cannot or does not wish to continue to hold eXtract shares in an unlisted structure (“**Offer Shares**”). The General Offer will exclude any treasury shares, any shares held by persons related to Inhlanhla, and persons acting in concert with the offeror.

Principal steps and General Offer are set out as follows:

- a) The proposed acquisition of 9 989 728 eXtract ordinary shares by way of a General Offer of R6.00 per share.
- b) eXtract shareholders who do not accept the offer will remain eXtract shareholders in respect of their unlisted shares, save to the extent that the offer is accepted by at least 90% of the offerees (which will entitle the offeror to invoke the squeeze-out provisions contemplated in section 124 of the Companies Act and thereby acquire all eXtract shares not already owned by the offeror and its associates).
- c) On completion of the General Offer, the shares will be delisted from the JSE.

Full details of the acquisition of eXtract’s ordinary shares and the subsequent delisting of eXtract are contained in the circular to shareholders (“**the Circular**”) dated 20 December 2018, which will include a copy of this opinion.

The General Offer, if successful, will result in the removal of eXtract’s securities from the JSE. Section 1.15(d) of the JSE Listing Requirements requires the Board to obtain a fairness opinion from an independent expert, prepared in accordance with Schedule 5 of the JSE Listings Requirements.

EXPLANATION OF THE TERM “FAIR” AND “REASONABLE”

The term “fairness” is defined in Schedule 5 of the JSE Listings Requirements as being primarily based on quantitative issues. Therefore, the consideration payable to eXtract shareholders would be considered fair if the consideration received by eXtract shareholders is equal or greater than the value of the ordinary shares given up. The Companies Act and the Takeover Regulations is consistent with this definition.

The assessment of reasonableness is based on qualitative considerations. Therefore, when all the circumstances surrounding the transaction are taken into account, it may be reasonable for the shareholders to proceed with the transaction, even though the transaction may not be fair on a quantitative basis.

The term “reasonable” is described in Regulation 110 of the Takeover Regulations, as an offer with an offer consideration per offeree regulated company security above the offeree regulated company’s traded security price at the time the offer consideration(s) per security was announced, or at some other more appropriate identifiable time, is generally considered to be reasonable.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from eXtract’s management and from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in all material respects. For the purpose of compiling this report and the opinion contained herein, we have considered all information relevant to the securities affected by the General Offer.

The principal sources of information used in formulating our opinion regarding the acquisition of the Offer Shares are as follows:

- Audited annual financial statements of eXtract for the year ended 31 August 2018;
- Audited annual financial statements of eXtract for the year ended 31 August 2017;
- The forecasted information of eXtract detailing the expected realisation dates of asset disposals between 1 September 2018 and 31 August 2020;
- Independent revaluation letters relating to certain assets;
- Publicly available information relating to eXtract and other comparable companies in the sector that we deemed to be relevant, including but not limited to company announcements, affected transaction, market multiples, market beta and capital structure;
- The general offer and delisting announcement; and
- The terms and conditions of the Proposed Transaction (as detailed in the draft Circular).

Where practical, we have corroborated on the appropriateness and the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussions with management and the Independent Board.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- That reliance can be placed on information and assumptions made available by eXtract’s management and the Independent Board;
- That reliance can be placed on the audited annual financial statements of eXtract as at 31 August 2018;
- That reliance can be placed on the audited financial statements of eXtract for the year ended 31 August 2017;
- That reliance can be placed on the forecasted information of eXtract detailing the expected realisation dates of asset disposals between 1 September 2018 and 31 August 2020;
- That reliance can be placed on the independent revaluations letter relating to certain assets;
- That reliance can be placed on the presentations prepared by management;
- That reliance can be placed on trading and market data obtained from external data providers; and
- That the terms and conditions of the proposed transaction (as detailed in the draft Circular) are correct.

EFFECT OF THE TRANSACTION

Having analysed the effects of the General Offer and the subsequent delisting, we have concluded that the acquisition of ordinary shares from minority shareholders will not have a material adverse effect on the rights and interests of the minority shareholders. The minority shareholders will be compensated in cash in exchange for their rights and interests in eXtract.

The General Offer and subsequent delisting of eXtract is not anticipated to have any material adverse effects on the business and prospects of eXtract, it is believed that operating in a delisted environment will provide an opportunity for eXtract to realise its assets to its best advantage while eliminating the cost associated with maintaining a listing which will result in improved profitability. Additionally, it offers the minority shareholder an opportunity to exit in light of the illiquidity event.

Having analysed the effects of the General Offer and the subsequent delisting, we have concluded that the General Offer and the subsequent delisting will not have an adverse effect on the compensation receivable by minority shareholders, as the compensation will be settled in cash.

The direct and indirect beneficial interests of the directors (and their associates) in the ordinary share capital of eXtract as at the last practicable date were as follows:

Name	Direct	Indirect	Total	%
Jannie Serfontein	76 820	4 263	81 083	0.38
Nelis Leonard	618	–	618	–
Total	77 438	4 263	81 701	0.38

The direct and indirect beneficial interests of the directors (and their associates) in the ordinary share capital of eXtract will not change as a result of the proposed transaction.

LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

Mazars Corporate Finance is accredited to perform fair and reasonable opinions and JSE-related work. Mazars Corporate Finance has a substantial internal resource base with extensive experience in providing independent expert opinions.

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of eXtract. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by either Inhlanhla or eXtract whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This opinion is provided to the Board solely to assist the Board in forming and expressing an opinion for the benefit of the shareholders of eXtract in connection with and for the purposes of their consideration in respect of the General Offer.

There is no relationship between Mazars Corporate Finance and any other parties involved in this transaction. Mazars Corporate Finance has no shares in Inhlanhla or eXtract or any other party involved in the proposed transaction. Mazars Corporate Finance's fee in respect of this opinion is R190,000 excluding VAT and is not payable in Inhlanhla or eXtract shares and is not contingent or related to the outcome of the Proposed Transaction.

Each shareholder's individual decision may be influenced by such shareholder's particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the Proposed Transaction.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

PROCEDURES

In order to assess the fairness of the terms and conditions relating to the General Offer, we have performed, amongst others, the following procedures:

- Reviewed the terms and conditions of the transaction;
- Reviewed the audited annual financial statements of eXtract for the year ended 31 August 2018;
- Reviewed the audited annual financial statements of eXtract for the year ended 31 August 2017;
- Review the forecasted information of eXtract detailing the expected realisation dates of asset disposals between 1 September 2018 and 31 August 2020;
- Considered information made available by and from discussions held with the directors and management of eXtract;
- Reviewed the independent revaluations letter relating to certain assets;
- Reviewed the general offer and delisting announcement;
- Reviewed general economic, market and related conditions in which eXtract operates in;
- Considered the rationale for the Proposed Transaction and considered the offer consideration against the trading price and the VWAP at reasonable intervals immediately prior to the firm intention announcement to assess the reasonableness in accordance with the definition described in Regulation 110 of the Takeover Regulations;

- Reviewed the methodologies available for performing valuations of businesses operating in this industry; and
- Performed an indicative valuation of eXtract.

In arriving at our opinion, we have considered, in addition to the procedures performed above, the following key qualitative considerations in assessing the reasonableness of the Proposed Transaction:

- Considered the rationale for the Proposed Transaction, from the perspective of eXtract;
- Considered the prospects of eXtract and whether the Proposed Transaction will be beneficial to both eXtract and its shareholders;
- The financial position of eXtract;
- The current market conditions; and
- The general state of the economy and the impact this could have on current and future industry and company specific performance.

VALUATION

We have performed a valuation of eXtract to determine whether the proposed acquisition of the Offer Shares represents a fair value to the eXtract shareholders. We confirm that we have performed a valuation of eXtract utilising the Discounted Cash Flow (“**DCF**”) methodology as a primary basis to estimate the value of eXtract based on its future cash flows. Thus, it is believed to be an applicable method for eXtract. The adjusted Net Asset Value (“**NAV**”) method was utilised as a corroborative valuation.

Based on discussions with management, along with research into the sector, the following key value drivers were assessed for the valuation methodologies:

Internal

- From discussion with management assessed the reasonability of the recoverability of assets and the expected timing of recovery;
- The fair market values of assets taking into account the realisable value;
- The time recovery of the outstanding debtors’ balances; and
- The fair market values of liabilities.

External

- Stability of the economy and other macroeconomic factors such as the new developments portrayed in the mining charter and the investment appetite within the mining sector. This included an analysis of publicly available information in respect of macroeconomic outlook; and
- Performed sensitivity analyses on both long term and short term inflation rates and assessed the impact thereof on the valuation.

The following analysis were performed on the key value driver of eXtract:

- An analysis and review of the forecast profitability. This included a sensitivity analysis performed on the forecast EBITDA by increasing and decreasing the EBITDA by 10%, thereafter assessed the impact thereof on the valuations. This resulted in the lowest and highest value movement being changed by 5.2%.

VALUATION RESULTS

The outcome of the valuation of eXtract resulted in an indicative valuation range between R5.47 and R6.07 with a core value R5.77. The General Offer consideration of R6.00 falls within the valuation range and is therefore fair and reasonable to the minority ordinary shareholders of eXtract.

OPINION

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

We have considered the terms and conditions of the Proposed Transaction, and subject to the foregoing, we are of the opinion that the offer is fair to the shareholders of eXtract in terms of the JSE Listings Requirements, the Companies Act and the Takeover Regulations.

We have considered the qualitative factors of the Proposed Transaction and we have considered the general offer price against the trading price and VWAP on JSE for a reasonable period immediately prior to the firm intention announcement and the offer price was above the trading price and therefore the proposed transaction is reasonable in terms of the Companies Act and Takeover Regulations.

CONSENT

We hereby consent to the inclusion of this opinion and references hereto, in the form and context in which it appears in any required regulatory announcement or document.

Yours faithfully

Anoop Ninan
Managing Director
Mazars Corporate Finance (Pty) Ltd
54 Glenhove Road
Melrose Estate, 2196

12 December 2018”

**HISTORIC FINANCIAL INFORMATION OF EXTRACT FOR THE YEARS ENDED
31 AUGUST 2017, 30 JUNE 2016 AND 30 JUNE 2015**

The consolidated annual financial statements of eXtract for the years ended 31 August 2017, 30 June 2016 and 30 June 2015 are set out below. The notes to the consolidated annual financial statements of eXtract for the years ended 30 June 2016 and 30 June 2015 have been incorporated by reference and are available on eXtract's website at <http://www.extractgroup.com/compresults>.

**Consolidated statement of financial position
as at**

	Notes	31 August 2017 Rm	30 June 2016 Rm	30 June 2015 Rm
ASSETS				
Non-current assets		–	2 201	10 739
Intangible assets	4	–	37	220
Property, plant and equipment	5	–	77	468
Leasing assets	6	–	2 044	9 950
Deferred tax assets	7	–	41	65
Finance lease receivables	8	–	1	16
Other investments and loans	9	–	1	20
Current assets		1 267	9 321	3 127
Derivative financial assets		–	–	28
Finance lease receivables	8	–	1	16
Other investments and loans		–	–	58
Inventories	10	15	87	1 062
Trade and other receivables	11	313	952	1 742
Taxation in advance		–	6	18
Cash and cash equivalents	12	109	148	203
Assets held for sale	13	830	8 127	–
Total assets		1 267	11 522	13 866
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	15	1 891	1 839	1 839
Other reserves	16	325	449	330
Retained loss		(3 736)	(688)	1 569
(Deficit) equity attributable to owners of the parent		(1 520)	1 600	3 738
Non-controlling interests		–	29	32
Total (deficit) equity		(1 520)	1 629	3 770
Non-current liabilities		1 891	2 588	6 351
Interest-bearing borrowings	17	1 877	2 539	5 601
Deferred tax liabilities	7	14	49	750
Current liabilities		896	7 305	3 745
Derivative financial liability		–	–	3
Current portion of interest-bearing borrowings	17	–	92	1 918
Trade and other payables	18	226	675	1 779
Current tax liabilities		–	15	45
Liabilities associated with assets held for sale	13	670	6 523	–
Total equity and liabilities		1 267	11 522	13 866

**Consolidated statement of discontinued comprehensive income
for the period ended**

	Notes	14 months ended 31 August 2017 Rm	12 months ended 30 June 2016* Rm
Revenue	19	5 418	9 530
Net operating expenses	20	(4 783)	(7 073)
Profit from operations before depreciation, amortisation and profit on disposal		635	2 457
Depreciation and amortisation	21	(330)	(1 906)
Profit on disposal of property, plant and equipment		–	6
Operating profit		305	557
Net foreign exchange (losses) gains	20	(36)	1
Fair value gains recycled from equity		44	–
IFRS 5 Impairment		(448)	(719)
Net impairment of assets	22	(1 494)	(1 498)
Loss before net finance costs		(1 629)	(1 659)
Net finance costs	23	(340)	(606)
Finance costs	23	(353)	(651)
Finance income	23	13	45
Loss before taxation		(1 969)	(2 265)
Income tax	24	22	12
Loss for the period		(1 947)	(2 253)
Loss on sale of subsidiaries		(3)	–
Deconsolidation of subsidiary	25	(63)	–
Total loss for the period from operations		(2 013)	(2 253)
Attributable to:			
Owners of the parent		(2 015)	(2 257)
Non-controlling interests		2	4
Loss for the period		(2 013)	(2 253)
		Cents	Cents
Loss per share from operations			
Basic loss per share	26	(423.2)	(576.8)
Loss for the period		(2 013)	(2 253)
Total other comprehensive loss for the period, net of taxation		(72)	132
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign subsidiaries		(72)	124
Net fair value gain on cash flow hedges and other fair value reserves		–	8
Total comprehensive loss for the period, net of taxation		(2 085)	(2 121)
Attributable to:			
Owners of the parent		(2 087)	(2 125)
Non-controlling interests		2	4
		(2 085)	(2 121)

* Amounts represented to show all operations in comparative results as discontinuing operations.

**Consolidated statement of comprehensive income
for the period ended**

	12 months ended 30 June 2016 Rm	12 months ended 30 June 2015 Rm
Revenue	2 964	9 530
Net operating expenses	(2 401)	(7 073)
Profit from operations before depreciation, amortisation and profit on disposal	563	525
Depreciation and amortisation	(412)	(422)
Profit on disposal of property, plant and equipment	–	1
Operating profit	151	104
Net foreign exchange gains	1	–
Net impairment of property, plant and equipment	(17)	–
Net impairment of leasing assets	(536)	(79)
(Loss) profit before net finance costs	(401)	25
Net finance costs	(219)	(200)
Finance costs	(248)	(208)
Finance income	29	8
Loss before taxation	(620)	(175)
Income tax	157	45
Loss for the year	(463)	(130)
Attributable to:		
Owners of the parent	(463)	(131)
Non-controlling interests	–	1
Loss for the year from continuing operations	(463)	(130)
Discontinued operations		
(Loss) profit for the year from discontinued operations	(1 790)	384
(Loss) profit for the year	(2 253)	254
Attributable to:		
Owners of the parent	(2 257)	243
Loss for the year from continuing operations	(463)	(131)
(Loss) profit for the year from discontinued operations	(1 794)	374
Non-controlling interest	4	11
(Loss) profit for the year	(2 253)	254
	Cents	Cents
Loss per share from continuing operations		
Basic and diluted loss per share	(118.3)	(33.5)
(Loss) earnings per share from discontinued operations		
Basic and diluted (loss) earnings per share	(458.5)	94.3

	12 months ended 30 June 2016 Rm	12 months ended 30 June 2015 Rm
(Loss) profit for the year	(2 253)	254
Total other comprehensive income for the year, net of taxation		
<i>Items that may be reclassified subsequently to profit or loss</i>	132	109
Exchange differences on translation of foreign subsidiaries	124	92
Net fair value gain on cash flow hedges and other fair value reserves	8	17
Total comprehensive (loss) income for the period, net of taxation	(2 121)	363
Attributable to:		
Owners of the parent	(2 125)	352
Non-controlling interests	4	11
	(2 121)	363

**Consolidated statement of changes in equity
for the period ended**

	Stated capital Rm	Other reserves Rm	Retained (loss) income Rm	Non-controlling interests Rm	Total Rm
Balance at 1 July 2014	1 839	272	1 314	26	3 451
Total comprehensive income for the period	–	109	243	11	363
Profit for the period	–	–	243	11	254
Other comprehensive income for the period, net of taxation	–	109	–	–	109
Net share-based payment expense	–	2	–	–	2
Vesting of share incentive scheme	–	(2)	–	–	(2)
Devaluation of Lerako call option	–	(16)	–	–	(16)
Derecognition of Lerako call option	(23)	(23)	–	–	–
Dividends paid	–	–	–	(5)	(5)
Realisation of currency translation reserve	–	(12)	12	–	–

	Stated capital Rm	Other reserves Rm	Retained (loss) income Rm	Non-controlling interests Rm	Total Rm
Balance at 1 July 2015	1 839	330	1 569	32	3 770
Total comprehensive income (loss) for the period	–	132	(2 257)	4	(2 121)
Loss for the period	–	–	(2 257)	4	(2 253)
Other comprehensive income for the period, net of taxation	–	132	–	–	132
Net share-based payment expense	–	5	–	–	5
Vesting of share incentive scheme	–	(1)	–	–	(1)
Goodwill reserve arising on additional interest in subsidiary	–	(16)	–	–	(16)
Dividends paid	–	–	–	(7)	(7)
Deferred taxation effect on items recorded directly in equity	–	(1)	–	–	(1)
Balance at 30 June 2016	1 839	449	(688)	29	1 629
Total comprehensive loss for the period	–	(72)	(2 015)	2	(2 085)
Loss for the period	–	–	(2 015)	2	(2 013)
Other comprehensive loss for the period, net of taxation	–	(72)	–	–	(72)
Vesting of share incentive scheme	–	(4)	(4)	–	–
New issue of stated capital*	37	–	–	–	37
Issue of treasury shares	15	–	–	–	15
Dividend paid	–	–	–	(2)	(2)
Dividend <i>in specie</i> **	–	–	(1 022)	–	(1 022)
Realisation of translation reserve	–	(44)	–	–	(44)
Taxation on realisation of translation reserve	–	12	–	–	12
Reversal of share-based payment reserve	–	(17)	17	–	–
Transfer within categories of reserves	–	23	(23)	–	–
Disposal of subsidiary	–	(27)	–	(29)	(56)
Deferred taxation effect on items recorded directly in equity	–	5	(5)	–	–
Balance at 31 August 2017	1 891	325	(3 736)	–	(1 520)

* 101 400 000 shares issued for R1 per share, recorded at fair value of 37 cents per share

** Dividend declared relating to the enX transaction (Refer to note 25)

**Consolidated statement of discontinued cash flows
for the period ended**

		14 Months ended 31 August 2017 Rm	12 Months ended 30 June 2016 Rm	12 Months ended 30 June 2015 Rm
	Notes			
Cash flows from operating activities				
Cash receipts from customers		6 070	9 426	9 463
Cash paid to suppliers and employees		(4 736)	(5 993)	(5 561)
Cash generated from operations	27A	1 334	3 433	3 902
Interest received	23	13	45	19
Interest paid	23	(353)	(651)	(672)
Income taxation paid	27B	(45)	(101)	(33)
Net cash flows from operating activities		949	2 726	3 216
Cash flows from investing activities				
Disposal (acquisition) of businesses	27C	(11)	42	(12)
Purchase of intangible assets	4	–	(39)	(71)
Purchase of property, plant and equipment	5	(17)	(32)	(33)
Purchase of leasing assets	6	(279)	(2 305)	(2 447)
Purchase of held for sale assets	14	(640)	–	–
Proceeds on disposal of property, plant and equipment	5	–	49	19
Proceeds on disposal of leasing assets	6	19	32	12
Proceeds on disposal of held for sale assets	14	706	–	–
(Increase) decrease in finance lease receivables	8	36	(6)	11
Proceeds on disposal of other investments and loans	9	–	2	1
Net cash flows from investing activities		(186)	(2 257)	(2 521)
Cash flows from financing activities				
Share issue		37	–	–
Issue of treasury shares		15	–	–
Purchase of non-controlling interest		–	(16)	(3)
Dividends paid		(2)	(7)	(5)
Net decrease in interest-bearing borrowings		(995)	(324)	(590)
Net cash flows from financing activities		(945)	(347)	(598)
Net (decrease) increase in cash and cash equivalents		(182)	122	97
Effect of exchange rate translation on cash and cash equivalents		(20)	9	13
Derecognition of cash		(23)		
Cash and cash equivalents at beginning of period		334	203	93
Total group cash and cash equivalents at end of period	12	109	334	203

**Segmental information – statement of financial position
as at**

	Contract Mining**		
	30 June 2017	30 June 2016	30 June 2015
	Rm	Rm	Rm
BUSINESS SEGMENTATION			
ASSETS			
Intangible assets	–	37	39
Property, plant and equipment	–	77	139
Leasing assets	–	2 044	4 160
Finance lease receivables	–	2	10
Other investments and loans	–	1	59
Inventories	15	87	164
Trade and other receivables and derivatives	313	952	962
Operating assets	328	3 200	5 533
Assets held for sale*	830	8 127	–
Deferred tax assets	–	41	–
Taxation in advance	–	6	2
Cash and cash equivalents	109	148	63
Total assets	1 267	11 522	65
LIABILITIES			
Trade and other payables and derivatives	226	675	697
Interest-bearing borrowings	1 877	2 631	2 990
Operating liabilities	2 103	3 306	3 687
Liabilities associated with assets held for sale*	670	6 523	–
Deferred tax liabilities	14	49	114
Current tax liabilities	–	15	8
Total liabilities	2 787	9 893	3 809
GEOGRAPHIC SEGMENTATION			
Operating assets	328	3 200	5 533
– South Africa	241	2 784	3 496
– Rest of world	87	416	2 037
Trade and other payables and derivatives	226	675	697
– South Africa	158	598	431
– Rest of world	68	77	266
Interest-bearing borrowings	1 877	2 631	2 990
– South Africa	1 877	2 395	2 293
– Rest of world	–	236	697
Net capital (disposal) expenditure	(211)	529	521
– South Africa	17	485	180
– Rest of world	(228)	44	341

* Refer to note 13 for segmental analysis of the assets held for sale and liabilities associated with assets held for sale

** Only the continuing Eqstra business comprising the Contract Mining business as the remainder of the businesses were sold during the period

Segmental information – statement of comprehensive income

	Consolidated		Contract Mining		Eagle (Old Eqstra)	
	31 August 2017 Rm	30 June 2016 Rm	31 August 2017 Rm	30 June 2016 Rm	31 August 2017 Rm	30 June 2016 Rm
BUSINESS SEGMENTATION						
Revenue						
– Sales of goods	1 542	2 244	810	58	732	2 186
– Rendering of services, leasing income and other	3 876	7 286	2 800	2 906	1 076	4 380
	5 418	9 530	3 610	2 964	1 808	6 566
Net operating expenses	(4 783)	(7 073)	(3 496)	(2 401)	(1 287)	(4 672)
Depreciation and amortisation	(330)	(1 906)	(330)	(412)	–	(1 494)
Profit on disposal of property, plant and equipment	–	6	–	–	–	6
Operating profit (loss)	305	557	(216)	151	521	406
Foreign exchange (losses) gains	(36)	1	(25)	1	(11)	–
Fair value gains recycled from equity	44	–	44	–	–	–
IFRS 5 Impairment	(448)	(719)	(17)	–	(431)	(719)
Net impairment of assets	(1 494)	(1 498)	(1 494)	(553)	–	(945)
(Loss) profit before net finance costs	(1 629)	(1 659)	(1 708)	(401)	79	(1 258)
Net finance costs	(340)	(606)	(219)	(219)	(121)	(387)
Finance costs including fair value gains	(353)	(893)	(133)	(248)	(220)	(645)
Finance income	13	287	(86)	29	99	258
Loss before taxation	(1 969)	(2 265)	(1 927)	(620)	(42)	(1 645)
Income taxation	22	12	(20)	157	42	(145)
Loss for the period	(1 947)	(2 253)	(1 947)	(463)	–	(1 790)
Loss on sale of subsidiaries	(3)	–	–	–	(3)	–
Deconsolidated of subsidiary	(63)	–	(63)	–	–	–
Loss for the period	(2 013)	(2 253)	(2 010)	(463)	(3)	(1 790)
GEOGRAPHIC SEGMENTATION						
Revenue						
– South Africa	4 120	7 074	2 646	2 408	1 474	4 666
– Rest of world	1 298	2 456	964	556	334	1 900
Operating profit (loss)	305	557	(216)	151	521	406
– South Africa	136	490	(274)	83	410	407
– Rest of world	169	67	58	68	111	(1)
Net finance costs	(340)	(606)	(219)	(219)	(121)	(387)
– South Africa	(320)	(511)	(208)	(188)	(112)	(323)
– Rest of world	(20)	(95)	(11)	(31)	(9)	(64)

* No segmental statement of comprehensive income was disclosed for the 2015 financial year. Refer to the continuing statement of comprehensive income for results.

HISTORIC FINANCIAL INFORMATION OF EXTRACT FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018 AND THE YEAR ENDED 31 AUGUST 2018

INTERIM FINANCIAL REPORT OF EXTRACT GROUP LIMITED FOR THE 6 MONTH PERIOD ENDED 28 FEBRUARY 2018

SALIENT FEATURES

- enX restructuring agreement became effective in September 2017.
- Debt conversion of R1 878 million effective in October 2017.
- Net asset value at the end of the period of R237 million.

FINANCIAL REVIEW

- The Group reported a loss for the period of R82 million compared to a loss of R1 533 million in the prior period.
- R652 million of mining assets sold during the period.
- All mining contracts exited in order to monetise asset base.

It is important to note that the comparative period is the six months ended 31 December 2016. Due to the change in year-end from 30 June to 31 August, the six-month interim reporting date is now 28 February.

INTRODUCTION

During the period under review, eXtract continued to focus on exiting the remaining mining contracts in a responsible manner and stabilising the remaining business while the downsizing continues.

All the remaining mining contracts were exited during the reporting period (Mogalakwena and Aganang, which ceased at the end of November 2017, and Mozambique, which ceased during December 2017).

As previously communicated, the following key events took place during the reporting period:

- Repayment of all bank debt;
- enX Group Limited (“enX”) debt to equity conversion of R1.878 billion implemented on 12 October 2017;
- Repayment of R175 million of the R250 million enX debt;
- Sale of interest in the Last Mile Fund at face value of R25 million, receivable over a three-year period;
- Sale of assets at Tharisa, Mogalakwena and Aganang as going concerns;
- Resolution of the Eqstra Botswana liquidation process and sanctioning by the High Court in Botswana;
- Significant reduction of eXtract’s overhead costs, including a reduction in headcount;
- Disposal of the head office property for R52 million and retrenchment of all head office staff;
- Disposal of further excess assets (R652 million for the period under review); and
- Changes to the board of directors (“Board”) and management of eXtract.

SUBSEQUENT EVENTS

- Subsequent to the period-end, the following material events occurred:
- Repayment of a further R50 million of enX debt, leaving R25 million of debt remaining;
- Disposal of further excess assets of R19 million during March and April 2018;
- Receipt of cash of R26 million for the sale of Aganang assets.

FUTURE STRATEGY

Pursuant to the strategic review undertaken in the prior year, a number of key outcomes have been identified and the implementation is on track. The ultimate goal remains to protect the remaining shareholder value. The Board will in parallel look to further transform the Group should any attractive opportunities arise.

SOLVENCY AND LIQUIDITY

The Board is satisfied that after the conversion of the enX mezzanine debt and preference share instruments into equity during the reporting period, the Group is solvent at the reporting period-end and for the foreseeable future.

The Board is further satisfied that the strategies to address the liquidity risks are on track and are being effectively addressed and the Group has the ability to settle liabilities as they become due and payable.

DIVIDEND

The Board has not declared a dividend given the Group's performance and change in strategy.

LOOKING AHEAD

As previously communicated, eXtract will continue to focus on these commitments in the short to medium-term:

- Reduction of external debt;
- Monetisation of assets held for sale; and
- Improving the efficiencies of existing leasing contracts.

GOING CONCERN

The results presented for the Group have been prepared on the assumption that the Group, as a whole, will continue to operate as a going concern.

DIRECTOR CHANGES

The following directors resigned on 23 February 2018:

- Bernard Swanepoel – Executive chairman;
- Clinton Halsey – Interim chief executive officer and chief investment officer;
- Siphon Nkosi – Lead independent non-executive director;
- Octavia Matloa – Independent non-executive director;
- Khetiwe McClain – Independent non-executive director.

The following directors were appointed on 23 February 2018:

- Frank Davidson – Lead independent non-executive director;
- Nelis Leonard – Non-executive director;
- Fedja Basic – Independent non-executive director.

The following director's function was changed as announced on SENS on 3 May 2018:

- Jannie Serfontein – now chief executive officer and financial director until 30 June 2018.

By order of the board of directors

JL Serfontein

Chief executive officer and financial director

4 June 2018

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at

	Unaudited 28 February 2018 Rm	Unaudited 31 December 2016 Rm	Audited 31 August 2017 Rm
ASSETS			
Non-current assets	–	762	–
Property, plant and equipment	–	85	–
Leasing assets	–	677	–
Current assets	365	1 625	1 267
Inventories	–	78	15
Trade and other receivables and derivatives	114	515	313
Cash and cash equivalents ⁽¹⁵⁾	75	162	109
Assets held for sale ⁽²⁾	176	870	830
Total assets	365	2 387	1 267
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	3 769	1 891	1 891
Other reserves	286	374	325
Accumulated loss	(3 818)	(3 256)	(3 736)
Equity (deficit) attributable to owners of the parent	237	(991)	(1 520)
Non-controlling interests	–	–	–
Total equity (deficit)	237	(991)	(1 520)
Non-current liabilities			
Interest-bearing borrowings ⁽³⁾	–	2 256	1 877
Deferred tax liabilities	7	38	14
Current liabilities	121	1 084	896
Current portion of interest-bearing borrowings ⁽³⁾	–	465	–
Trade and other payables, provisions and derivatives	20	420	226
Liabilities directly associated with assets held for sale ⁽²⁾	101	199	670
Total equity and liabilities	365	2 387	1 267

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Unaudited for the six months ended 28 February 2018 Rm	Unaudited for the six months ended 31 December 2016 Rm	Audited year-end 31 August 2017 Rm
Loss for the period	(82)	(1 533)	(2 013)
Total other comprehensive loss for the period, net of taxation	(39)	(55)	(72)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on realisation of foreign exchange reserve	(42)	–	–
Exchange differences on translation of foreign subsidiaries	3	(55)	(72)
Total comprehensive loss for the period, net of taxation	(121)	(1 588)	(2 085)
Attributable to:			
Owners of the parent	(121)	(1 590)	(2 087)
Non-controlling interests	–	2	2
	(121)	(1 588)	(2 085)

SUMMARISED CONSOLIDATED DISCONTINUED OPERATIONS INCOME STATEMENT

	Unaudited for the six months ended 28 February 2018 Rm	Unaudited for the six months ended 31 December 2016 Rm	Audited year-end 31 August 2017 Rm
Revenue	1 316	3 611	5 418
(Loss)/profit from operations before depreciation and amortisation	(173)	813	635
Depreciation and amortisation	–	(192)	(330)
Operating (loss)/profit	(173)	621	305
Net foreign exchange (before items listed below) (losses)/gains	66	(24)	(36)
Fair value gains recycled from equity	–	–	44
Net impairment of assets ⁽⁶⁾	16	(1 389)	(1 494)
IFRS 5 adjustment ⁽⁹⁾	(33)	(439)	(448)
Loss before net finance costs	(124)	(1 231)	(1 629)
Net finance costs ⁽⁸⁾	(2)	(264)	(340)
Finance costs	2	111	13
Finance income	2	111	13
Loss before taxation	(126)	(1 495)	(1 969)
Income tax expense	44	28	22
Loss for the period	(82)	(1 467)	(1 947)
Loss on sale of subsidiaries	–	(3)	(3)
Deconsolidation of subsidiary ⁽⁷⁾	–	(63)	(63)
Total loss for the period from discontinued operations	(82)	(1 533)	(2 013)
Attributable to:			
Owners of the parent	(82)	(1 535)	(2 015)
Non-controlling interests	–	2	2
Loss for the period	(82)	(1 533)	(2 013)
	Cents	Cents	Cents
Loss per share from discontinued operations ⁽¹¹⁾			
Basic and diluted loss per share	(384,0)	(75 840,0)	(84 640,0)

* Amounts re-presented to show all operations in comparative results as discontinued operations.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital Rm	Other reserves Rm	(Accumulated loss) Retained income Rm	Non- controlling interest Rm	Total Rm
Balance at 1 July 2016	1 839	449	(688)	29	1 629
Total comprehensive loss for the period	–	(55)	(1 535)	2	(1 588)
Loss for the period	–	–	(1 535)	2	(1 533)
Other comprehensive income for the period, net of taxation	–	(55)	–	–	(55)
Vesting of share incentive scheme	–	(4)	–	–	(4)
New issue of stated capital*	37	–	–	–	37
Conversion of treasury shares	15	–	–	–	15
Dividend paid	–	–	–	(2)	(2)
Dividend in specie	–	–	(1 022)	–	(1 022)
Reversal of share-based payment reserve	–	(16)	16	–	–
Transfer within categories of reserves	–	22	(22)	–	–
Disposal of subsidiary	–	(27)	–	(29)	(56)
Deferred taxation directly in equity	–	5	(5)	–	–
Balance at 31 December 2016	1 891	374	(3 256)	–	(991)
Total comprehensive loss for the period	–	(17)	(480)	–	(497)
Loss for the period	–	–	(480)	–	(480)
Other comprehensive loss for the period, net of taxation	–	(17)	–	–	(17)
Realisation of translation reserve	–	(32)	–	–	(32)
Balance at 31 August 2017	1 891	325	(3 736)	–	(1 520)
Total comprehensive loss for the period	–	(39)	(82)	–	(121)
Loss for the period	–	–	(82)	–	(82)
Other comprehensive loss for the period net of taxation	–	(39)	–	–	(39)
New issue of stated capital	1 878	–	–	–	1 878
Balance at 28 February 2018	3 769	286	(3 818)	–	237

* On 16 November 2016 101 400 000 shares were issued at R1 each.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

as at

	Unaudited 28 February 2018 Rm	Unaudited 31 December 2016 Rm	Audited 31 August 2017 Rm
Cash flows from operating activities			
Cash generated from operations before working capital movements	(93)	688	740
Working capital movements	(18)	697	594
Cash (utilised in) generated from operations	(111)	1 385	1 334
Finance income	2	111	13
Finance costs	(4)	(341)	(353)
Taxation paid	(3)	(29)	(45)
Net cash flows from operating activities	(116)	1 126	949
Cash flows from investing activities			
Acquisition/disposal of businesses	–	(75)	(11)
Net capital disposals	652	(820)	(211)
Movement in finance lease receivables	–	36	36
Net cash flows from investing activities	652	(859)	(186)
Cash flows from financing activities			
Issue of shares	–	37	37
Conversion of treasury shares	–	–	15
Dividends paid to minorities	–	(2)	(2)
Net decrease in interest-bearing borrowings	(567)	(447)	(995)
Net cash flows from financing activities	(567)	(412)	(945)
Net decrease in cash and cash equivalents	(31)	(145)	(182)
Effect of exchange rate of translation on cash and cash equivalents	(3)	(5)	(20)
Derecognition of cash and cash equivalents	–	(22)	(23)
Cash and cash equivalents at beginning of period	109	334	334
Cash and cash equivalents at end of period	75	162	109

SUMMARISED CONSOLIDATED STATEMENT OF DISCONTINUED CASH FLOWS

as at

	Unaudited 28 February 2018 Rm	Unaudited 31 December 2016 Rm	Audited 31 August 2017 Rm
Net cash flows from operating activities	(116)	1 126	949
Net cash flows from investing activities	652	(859)	(186)
Net cash flows from financing activities	(567)	(412)	(945)
Net cash outflow	(31)	(145)	(182)

NOTES

1. BASIS OF PREPARATION

The unaudited summarised consolidated financial statements for the six months ended 28 February 2018 have been prepared in accordance with the framework concepts, measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contains information required by IAS 34: Interim Financial Reporting, the JSE Limited Listings Requirements and the South African Companies Act. The accounting policies and their application are consistent, in all material respects, with those detailed in eXtract's previous annual financial statements, except for the adoption on 1 September 2017 of those new, revised and amended standards and interpretations detailed therein. These financials have not been reviewed or reported on by the Company's auditors.

The adoption of the new and amended statements of generally accepted accounting practice, interpretations of statements of generally accepted accounting practice, and improvements project amendments did not have a material impact on the Group.

These financial statements were prepared under the supervision of JL Serfontein CA(SA).

2. ASSETS CLASSIFIED AS HELD FOR SALE

	Unaudited 28 February 2018 Rm	Unaudited 31 December 2016 Rm	Audited 31 August 2017 Rm
Property, plant and equipment	–	–	52
Leasing assets and inventory	176	870	778
	176	870	830
Liabilities directly associated with assets held for sale			
Interest-bearing borrowings	26	151	375
Current taxation liabilities	–	48	45
enX mezzanine debt	75	–	250
	101	199	670

Excess assets comprises leasing assets in all operations. There were sales of R652 million during the reporting period to 28 February 2018.

Management believes that the sale of these assets is highly probable within the next 12 months.

Corporate transaction disposal statement of financial position

	Disposal statement of financial position 8 November 2016 Rm
ASSETS	
Intangible assets	3
Property, plant and equipment	257
Leasing assets	5 056
Other investments and loans	30
Finance lease receivables	2
Inventories	853
Trade and other receivables and derivatives	646
Operating assets	6 847
Taxation in advance	58
Cash and cash equivalents	75
Unallocated loss on sale from the corporate transaction	(487)
Total assets	6 493
LIABILITIES	
Trade and other payables and derivatives	1 153
Interest-bearing borrowings	6 575
Loans due from Contract Mining entities	(2 853)
Operating liabilities	4 875
Deferred tax liabilities	411
Current tax liabilities	114
Total liabilities	5 400

The sale of the Fleet Management and Logistics division and the Industrial Equipment division to enX took place on 8 November 2016. The disposal balance sheet is disclosed above.

As part of the corporate transaction, subsidiaries of eXtract in the Fleet Management and Logistics and Industrial Equipment divisions were transferred to enX on the effective date being 8 November 2016.

3. INTEREST-BEARING BORROWINGS

	Unaudited 28 February 2018 Rm	Unaudited 31 December 2016 Rm	Audited 31 August 2017 Rm
Facility breakdown			
External senior bank debt	–	465	–
enX Mezzanine debt	–	1 656	1 277
Preference shares	–	600	600
	–	2 721	1 877

In the current reporting period all bank debt was repaid.

The remaining portion of enX mezzanine debt was converted into equity except for R250 million which remained as due and payable from the sale of assets and has been reclassified as “liabilities directly associated with assets held for sale”. Of this R250 million, R75 million remains payable as at 28 February 2018.

4. CAPITAL COMMITMENTS

	28 February 2018 Rm	31 December 2016 Rm	31 August 2017 Rm
Capital commitments	–	229	–
– Contracted	–	59	–
– Authorised by directors but not contracted	–	170	–
Guarantees	–	19	2

5. FAIR VALUE HIERARCHY DISCLOSURES

Valuation methodology

Level 1 – valuations with reference to quoted prices in an active market:

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

Level 2 – valuations based on observable and unobservable inputs include:

Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as quoted price for similar assets or liabilities in an active market; quoted price for identical or similar assets or liabilities in inactive markets; valuation model using observable inputs; and valuation model using inputs derived from/corroborated by observable market data.

There are no financial asset and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

6. IMPAIRMENT OF ASSETS

	28 February 2018 Rm	31 December 2016 Rm	31 August 2017 Rm
Impairment of leasing assets ⁽¹⁾	–	1 329	1 411
Impairment of intangible assets	–	42	32
Impairment of restricted cash	–	18	18
Impairment of property, plant and equipment	–	–	33
Impairment and reversal of impairments of loans	(16)	–	–
Total impairments	(16)	1 389	1 494
Discontinued operations	16	(248)	(1 494)
Continuing operations	–	1 141	–

* Amounts re-presented to show comparative results from discontinued operations

7. DECONSOLIDATION OF SUBSIDIARY

	28 February 2018 Rm	31 December 2016 Rm	31 August 2017 Rm
Discontinued operations			
Gain on deconsolidation of subsidiary	–	156	156
Provision for liabilities (Net of expected proceeds)	–	(67)	(67)
Impairment of inter-company loans	–	(152)	(152)
Total	–	(63)	(63)

The Karowe contract in Botswana was unlawfully terminated and money withheld which resulted in the Botswana entity being placed in liquidation. The Group was therefore no longer in control of the subsidiary and it was deconsolidated.

A deconsolidation gain was offset by the relevant impairment on inter-company loans and provision for liabilities for which guarantees were provided.

8. **NET FINANCE COSTS INCLUDING FAIR VALUE GAINS**

	28 February 2018 Rm	31 December 2016 Rm	31 August 2017 Rm
Net finance costs from continued operations	–	(134)	–
Net finance costs from discontinued operations	(2)	(130)	(340)
Total finance costs	(2)	(264)	(340)

9. **DISCONTINUED OPERATIONS**

All operations have been classified as discontinued in line with the Group strategy.

10. **NET/(DEFICIT) ASSET VALUE PER SHARE ATTRIBUTABLE TO OWNER OF THE PARENT**

	28 February 2018 cents	31 December 2016 cents	31 August 2017 cents
	1 112,9	(198,8)	(576,8)

11. **HEADLINE LOSS PER SHARE**

	28 February 2018 cents	31 December 2016* cents	31 August 2017* cents
Reconciliation of discontinued headline loss per share			
Basic and diluted loss per share	(384,0)	(75 840,0)	(84 640,0)
Net impairments of assets	(75,6)	68 620,0	62 740,0
IFRS 5 fair value adjustment	157,1	21 680,0	18 820,0
Loss on sale of subsidiaries	–	140,0	140,0
Deconsolidation of subsidiary	–	3 120,0	2 660,0
Taxation effect	–	(19 220,0)	(2 660,0)
Headline loss per share	(302,6)	(1 500)	(2 940,0)
Diluted headline loss per share	(302,6)	(1 500)	(2 940,0)

* Comparative period basic and headline loss per share have been adjusted to reflect the effect of 200:1 share consolidation implemented during the reporting period.

12. **WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE FOR THE PERIOD**

	28 February 2018 Rm	31 December 2016* Rm	31 August 2017* Rm
Number of ordinary shares			
– in issue	21,3	2,5	2,5
– in issue (net of treasury shares)	21,3	2,5	2,5
Weighted average number of ordinary shares in issue during the period	21,3	2,0	2,4
– opening shares (net of treasury shares)	506,9	2,0	2,0
– Additional shares issued	–	0,1	0,4
– Share consolidation	(485,6)	–	–
– disposal of treasury shares	–	0,0	0,0
Diluted weighted average number of ordinary shares	21,3	2,0	2,4

* Comparative period shares in issue have been adjusted to reflect the effect of 200:1 share consolidation implemented during the reporting period.

13. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the interim financial report requires the group's management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

The following accounting policies have been identified as involving particularly complex or subjective decisions or assessments:

IMPAIRMENT OF ASSETS

An impairment loss is recognised when the recoverable amount of an asset is estimated to be less than its carrying amount. In assessing fair value, management have obtained independent valuations of all assets held-for-sale based on current market conditions.

INCOME TAXES

The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes due to the complexity of legislation and the different tax jurisdictions involved. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated taxes based on estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

CONTINGENT LIABILITIES

Management applies judgement to the probabilities and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

INVENTORY PROVISIONS

The provision for inventory obsolescence is based on a physical count and inspection of stock items which is performed periodically and takes into account the age, condition and usage rates of the inventory.

FAIR VALUES AND FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities with a maturity of less than six months are assumed to approximate their fair value.

OTHER PROVISIONS

Management have taken a conservative view on various other potentially recoverable assets, these continue to be pursued and will only be recognised once reasonable certainty exists over the recoverability of the asset. These include Cash and cash equivalents, property, plant and equipment, trade receivables and inventory.

14. EXCHANGE RATES UTILISED:

Average USD: ZAR of 13.04

Closing USD: ZAR of 11.75

Closing BWP: ZAR of 1.25

15. CASH AND CASH EQUIVALENTS:

Mozambique: The equivalent of R20 million is held in the bank account of Eqstra Mozambique Limitada (a subsidiary of eXtract) for potential claims. Management are of the view that the cash will be repatriated to South Africa. However, the repatriation of this cash is subject to Exchange Control approval.

Nigeria: The equivalent of R8 million is held in Nigeria in the bank account of Eqstra Fleet Services Nigeria Limited (a subsidiary of eXtract) and continues to be impaired.

Summarised audited consolidated results of Extract Group Limited for the 12 months ended 31 August 2018

FINANCIAL REVIEW

- The Group reported a loss for the year of R161 million (including profit on sale of subsidiary of R9 million) compared to a loss of R2 013 million in the prior period.
- R753 million of mining assets sold during the year
- All mining contracts being exited in order to monetise asset base

SALIENT FEATURES

- enX restructuring implemented on 12 October 2017
- Debt conversion of R1 877 million effective in October 2017
- Net asset value at the end of the year of R179 million

INTRODUCTION

During the year under review eXtract Group Limited (“**eXtract**” or the “**Group**”) has continued to focus on exiting the remaining mining contracts in a responsible manner and stabilising the remaining business while the downsizing continues.

All the remaining mining contracts were exited during the financial year (Mogalakwena, Tharisa and Aganang, which ceased at the end of November 2017, and Mozambique, which ceased during December 2017).

As previously communicated, the following key events took place during the financial year:

- Repayment of all bank debt;
- enX Group Limited (“**enX**”) debt to equity conversion of R1 877 million implemented on 12 October 2017;
- Repayment of the R250 million enX debt;
- Sale of interest in the Last Mile Fund at face value of R25 million, receivable over a three-year period;
- Sale of assets to Tharisa, Mogalakwena and Aganang as going concerns;
- Resolution of the Eqstra Botswana liquidation process and sanctioning by the High Court in Botswana;
- Significant reduction of eXtract’s overhead costs, including a reduction in headcount;
- Materially reduced head office structure;
- Disposal of further excess assets (R753 million for the year under review); and
- Changes to the board of directors (“**Board**”) and management of eXtract.

SUBSEQUENT EVENTS

Subsequent to the year-end, the following material events occurred:

- Disposal of further excess assets of R11 million to end November 2018;
- Announcement of the proposed delisting of eXtract, subject to the approval from shareholders and the JSE; and
- Cash offer of R6.00 per eXtract share at delisting date, in compliance with the JSE Listings Requirements.

FUTURE STRATEGY

Pursuant to the strategic review undertaken in the prior year, a number of key outcomes have been identified and the implementation is on track. The ultimate goal remains to protect the remaining shareholder value. The Board will in parallel look to further transform the Group should any attractive opportunities arise. The Board believes this strategy could be best achieved in a delisted environment.

SOLVENCY AND LIQUIDITY

The Board is satisfied that after the conversion of the enX mezzanine debt and preference share instruments into equity during the financial year, the Group is solvent at the reporting year-end and for the foreseeable future.

The Board is further satisfied that the strategies to address the liquidity risks are on track and are being effectively addressed and the Group has the ability to settle liabilities as they become due and payable.

DIVIDEND

The Board has not declared a dividend given the Group’s performance and change in strategy.

LOOKING AHEAD

As previously communicated, eXtract will continue to focus on these commitments in the short to medium-term:

- Monetisation of assets held for sale;
- improving the efficiencies of existing leasing contracts; and
- Further transform the Group should any attractive opportunities arise.

GOING CONCERN

The results presented for the Group have been prepared on the assumption that the Group, as a whole, will continue to operate as a going concern.

DIRECTOR CHANGES

The following directors resigned on 23 February 2018:

- Bernard Swanepoel – Executive chairman;
- Clinton Halsey – Interim chief executive officer and chief investment officer;
- Siphon Nkosi – Lead independent non-executive director;
- Octavia Matloa – Independent non-executive director; and
- Khetlwe McClain – Independent non-executive director.

The following directors were appointed on 23 February 2018:

- Frank Davidson – Lead independent non-executive director and on 19 November 2018 appointed as Audit and Risk Committee chair;
- Nelis Leonard – Non-executive director; and
- Fedja Basic – Independent non-executive director.

Further changes were executed during the year:

- Fedja Basic resigned as an independent non-executive director with effect from 30 July 2018; and
- Andrew Hannington was appointed as an independent non-executive director effective 21 August 2018 and Board chair from 19 November 2018

The following director's function was changed as announced on SENS on 3 May 2018:

- Jannie Serfontein – is chief executive officer and chief financial officer.

By order of the Board

JL Serfontein

Chief executive officer and chief financial officer

11 December 2018

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	31 August 2018 Rm	31 August 2017 Rm
ASSETS		
Non-current assets	17	–
Loans	17	–
Current assets	203	1 267
Inventories	–	15
Trade and other receivables	65	313
Cash and cash equivalents	61	109
Assets held for sale ⁽²⁾	77	830
Total assets	220	1 267
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	3 768	1 891
Other reserves	308	325
Accumulated loss	(3 897)	(3 736)
Equity/(deficit) attributable to owners of the parent	179	(1 520)
Non-controlling interests	–	–
Total equity/(deficit)	179	(1 520)
Non-current liabilities		
Interest-bearing borrowings ⁽³⁾	–	1 877
Deferred tax liabilities	1	14
Current liabilities	40	896
Trade and other payables	19	226
Provisions	20	–
Current tax liabilities	1	–
Liabilities associated with assets held for sale ⁽²⁾	–	670
Total equity and liabilities	220	1 267

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	for the 12 months ended 31 August 2018 Rm	for the 14 months ended 31 August 2017 Rm
Loss for the period	(161)	(2 013)
Total other comprehensive gain/(loss) for the period, net of taxation		
<i>Items that may be reclassified subsequently to profit or loss</i>	16	(72)
Exchange differences on translation of foreign subsidiaries	16	(76)
Net fair value gain on cash flow hedges and other fair value reserves	–	4
Total comprehensive loss for the period, net of taxation	(145)	(2 085)
Attributable to:		
Owners of the parent	(145)	(2 087)
Non-controlling interests	–	2
	(145)	(2 085)

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – DISCONTINUED OPERATIONS

	for the 12 months ended 31 August 2018 Rm	for the 14 months ended 31 August 2017 Rm
Revenue	999	5 418
(Loss)/profit from operations before depreciation and amortisation	(230)	635
Depreciation and amortisation	–	(330)
Operating (loss)/profit	(230)	305
Net foreign exchange losses	(4)	(36)
Fair value gains recycled from equity	46	44
Net reversal of impairment/(impairment) of assets ⁽⁶⁾	7	(1 494)
IFRS 5 impairment	(30)	(448)
Loss before net finance costs	(211)	(1 629)
Net finance costs	(1)	(340)
Finance costs	(6)	(353)
Finance income	5	13
Loss before taxation	(212)	(1 969)
Income tax	42	22
Loss for the period	(170)	(1 947)
Profit/(loss) on sale of subsidiaries ⁽⁷⁾	9	(3)
Deconsolidation of subsidiary	–	(63)
Total loss for the period from operations	(161)	(2 013)
Attributable to:	(161)	(2 013)
– Owners of the parent	(161)	(2 015)
– Non-controlling interest	–	2
Loss for the period	(161)	(2 013)
	Cents	Cents
Loss per share from operations⁽¹¹⁾		
– Basic and diluted loss per share	(818.5)	(84 630.7)

* Prior year adjusted for the effect of the share consolidation of 200:1.

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	for the 12 months ended 31 August 2018 Rm	for the 14 months ended 31 August 2017 Rm
Cash flows from operating activities		
Cash (utilised by)/generated from operations before working capital movements	(173)	740
Working capital movements	67	594
Cash (utilised by)/generated from operations	(106)	1 334
Finance income	4	13
Finance costs	(6)	(353)
Taxation paid	(2)	(45)
Net cash flows from operating activities	(110)	949
Cash flows from investing activities		
Disposal of businesses	(11)	(11)
Net capital proceeds on disposals	716	(211)
Movement in finance lease receivables	–	36
Loans provided	(25)	–
Net cash flows from investing activities	680	(186)
Cash flows from financing activities		
Issue of shares	–	37
Conversion of treasury shares	–	15
Dividends paid to minorities	–	(2)
Net decrease in interest-bearing borrowings	(625)	(995)
Net cash flows from financing activities	(625)	(945)
Net decrease in cash and cash equivalents	(55)	(182)
Effect of exchange rate translation on cash and cash equivalents	–	(20)
Derecognition of cash and cash equivalents	7	(23)
Cash and cash equivalents at beginning of period	109	334
Cash and cash equivalents at end of period	61	109

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital Rm	Total other reserves Rm	Retained (loss)/income Rm	Non-controlling interest Rm	Total Rm
Balance at 1 July 2016	1 839	449	(688)	29	1 629
Total comprehensive loss for the period	–	(72)	(2 015)	2	(2 085)
Loss for the period	–	–	(2 015)	2	(2 013)
Other comprehensive loss for the period, net of taxation	–	(72)	–	–	(72)
Vesting of share incentive scheme	–	(4)	–	–	(4)
New issue of stated capital*	37	–	–	–	37
Conversion of treasury shares	15	–	–	–	15
Dividend paid	–	–	–	(2)	(2)
Dividend <i>in specie</i> *	–	–	(1 022)	–	(1 022)
Realisation of translation reserve	–	(44)	–	–	(44)
Reversal of share-based payment reserve	–	12	–	–	12
Taxation on realisation of translation reserve	–	(17)	17	–	–
Transfer within categories of reserves	–	23	(23)	–	–
Disposal of subsidiary	–	(27)	–	(29)	(56)
Deferred taxation directly in equity	–	5	(5)	–	–
Balance at 31 August 2017	1 891	325	(3 736)	–	(1 520)
Total comprehensive loss for the year	–	16	(161)	–	(145)
Loss for the year	–	–	(161)	–	(161)
Other comprehensive gain for the year, net of taxation	–	16	–	–	16
New issue of stated capital*	1 877	–	–	–	1 877
Realisation of foreign currency translation on loan	–	(46)	–	–	(46)
Taxation on realisation of translation reserve	–	13	–	–	13
Balance at 31 August 2018	3 768	308	(3 897)	–	179

* 3 755 171 985 (2017: 101 400 000) shares were issued for R1 per share, recorded at fair value of 50 cents per share (2017: 37 cents per share)

1. BASIS OF PREPARATION

The audited summarised consolidated financial statements for the 12 months ended 31 August 2018 have been prepared in accordance with the framework concepts, measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contains information required by IAS 34:

Interim Financial Reporting, the JSE Limited Listings Requirements and the South African Companies Act. The accounting policies and their application are consistent, in all material respects, with those detailed in eXtract’s 2017 annual financial report, except for the adoption on 1 September 2017 of those new, revised and amended standards and interpretations detailed therein. These financials were audited and reported on by eXtract’s auditors and prepared by eXtract’s CFO, JL Serfontein.

The adoption of the new and amended statements of generally accepted accounting practice, interpretations of statements of generally accepted accounting practice, and improvements project amendments did not have a material impact on eXtract.

2. ASSETS AND LIABILITIES HELD FOR SALE

	31 August 2018	31 August 2017
ASSETS		
Property plant and equipment	58	52
Leasing assets (net of selling costs)	19	778
Operating assets	–	0
Total assets held for sale	77	830
LIABILITIES		
Interest-bearing borrowings (net of contract mining debt)	–	375
Mezzanine loan with enX	–	250
Operating liabilities	–	625
Deferred tax liabilities	–	–
Current tax liabilities	–	45
Total liabilities associated to assets held for sale	–	670

Excess assets

Assets held for sale comprise assets in South Africa of R50 million (August 2017: R696 million) and assets in Mozambique of R27 million (August 2017: R134 million). Management believe that the sales of the remainder of the assets are highly probable within the next 12 months.

3. INTEREST-BEARING BORROWINGS

On 12 October 2017 enX converted R1 877 million debt to equity. eXtract repaid all bank debt as well as R250 million due to enX during the year from proceeds of asset sales resulting in a cash positive position at year-end, with no debt remaining.

	31 August 2018	31 August 2017
4. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES		
– Capital commitments	–	
– Capital commitments – Authorised but not contracted	–	–
– Contingent liabilities	3	–

5. FAIR VALUE HIERARCHY DISCLOSURES

R47 million of the assets held for sale were valued at fair value based on independent valuator's valuation.

R30 million of the assets held for sale were valued using sales contracts that were entered into subsequent to year end.

	for the 12 months ended 31 August 2018 Rm	for the 14 months ended 31 August 2017 Rm
6. NET REVERSAL OF IMPAIRMENT/(IMPAIRMENT) OF ASSETS		
Impairment of leasing assets	–	(1 411)
Impairment of intangible assets	–	(32)
Impairment of restricted cash	–	(18)
Impairment of property, plant and equipment	–	(33)
Impairment of investments and loans	7	–
Reversal of impairment of cash	7	–
Total impairments	7	(1 494)

** Amounts represented to show comparative results from discontinued operations.*

7. PROFIT/(LOSS) ON SALE OF SUBSIDIARIES

Analysis of assets and liabilities disposed of:

Trade and other receivables	(77)	
Cash and cash equivalents	(11)	
Assets held for sale	(1)	–
Trade and other payables	90	(3)
Provision for liabilities	8	–
Net liabilities disposed of at no consideration, resulting in a profit/(loss on sale)	9	(3)

On 29 August 2018 the Group disposed of PTT MCC Extraction Solutions Indonesia Limited for no consideration. As the liabilities exceeded the assets the Group reported a net profit on disposal.

During the 2017 financial period the Group disposed of the Eqstra Fleet Management and Logistics and Industrial Equipment divisions to enX Group Limited at a loss of R3 million.

8. SEGMENTAL DISCLOSURES

The 2018 results consist of one segment being the Contract Mining division, hence no separate segmental analysis has been prepared. The 2017 financial period comprised the Contract Mining division and as discontinued the corporate disposal group being the previous Eqstra entities (Eqstra Fleet Management and Eqstra Industrial Equipment).

9. DISCONTINUED OPERATIONS

All operations have been classified as discontinued in line with the Group strategy.

	Audited 31 August 2018	Audited 31 August 2017
10. NET ASSET/(DEFICIT) VALUE PER SHARE ATTRIBUTED TO THE PARENT	840.0	(59 972)
11. HEADLINE LOSS PER SHARE		
Reconciliation of discontinued headline loss per share		
Basic and diluted loss per share	(818.5)	(84 630.7)
Net impairments of assets	(35.6)	62 748.5
IFRS 5 fair value adjustment	152.5	18 816.2
(Profit)/loss on sale of subsidiaries	(45.7)	126.0
Deconsolidation of subsidiary	–	2 646.0
Taxation effect	–	(2 646.0)
Headline loss per share	(747.3)	(2 940.0)
12. WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE FOR THE PERIOD		
	Audited 31 August 2018	Audited 31 August 2017*
– in issue	21.3	2.5
– in issue (net of treasury shares)	21.2	2.5
Weighted average number of ordinary shares in issue during the period	19.7	2.4
– opening shares (net of treasury shares)	2.5	2.0
– additional shares issued	17.2	0.4
– disposal of treasury shares	–	–
Basic and diluted weighted average number of ordinary shares	19.7	2.4

13. SIGNIFICANT JUDGEMENTS AND ESTIMATES

There are no significant accounting judgements and estimates other than the valuation of assets held for sale and assessment of recoverability of receivables. Asset held for sale were valued by an independent valuator which was updated at 31 August 2018 and adjustments processed as required. Receivables were assessed for recoverability based on expected future cash flows.

14. SUMMARISED REPORT

The summarised audited consolidated financial statements have been derived from and are consistent in all material respects with the consolidated annual financial statements for the year ended 31 August 2018 and an unmodified opinion has been expressed thereon. The directors take full responsibility for the preparation of these audited summarised consolidated 31 August 2018 financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated annual financial statements.

The auditor's report does not necessarily report on all of the information contained in this announcement/ financial results. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the consolidated and separate audited consolidated annual financial statements as at 31 August 2018.

15. THE AUDITORS

Deloitte & Touche has audited the consolidated annual financial statements for the 12 months ended 31 August 2018 and have issued an unmodified opinion thereon. The audit was conducted in accordance with International Standards on Audit Engagements.

Any reference to future financial performance included in this announcement has not been audited or reported on by eXtract's auditors.

TRADING INFORMATION OF EXTRACT

A table of the aggregate volumes and values traded and the highest and lowest prices traded in eXtract shares for each month over the 12 months prior to the offer period and for each day over the 30 days preceding the last practicable date prior to the date of the circular is set out below.

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly					
2017					
November	998	5	689	12 455 411	5 188 883
December	740	501	600	274 973	1 717 522
2018					
January	600	500	570	1 885 427	10 357 253
February	875	489	705	1 555 724	9 588 381
March	800	675	749	352 514	2 590 597
April	825	651	820	180 528	1 337 522
May	850	700	849	252 232	1 934 260
June	849	550	648	519 926	3 326 926
July	701	(490)	625	1 287 390	7 237 369
August	749	527	749	196 869	1 262 812
September	815	565	600	370 404	2 414 644
October					
Daily					
2018					
29 October	595	595	595	–	–
30 October	595	595	595	–	–
31 October	620	567	600	78 622	465 077
1 November	597	570	597	1 504	8 707
2 November	620	575	578	603	3 530
5 November	620	620	620	1 000	6 200
6 November	616	520	611	8 793	48 362
7 November	614	555	612	379	2318
8 November	612	612	612	–	–
9 November	605	530	605	612	3 498
12 November	600	521	599	60 727	363 885
13 November	600	590	600	238 564	1 431 376
14 November	600	590	600	264 916	1 588 750
15 November	600	600	600	101 723	610 338
16 November	600	585	600	55 121	330 722
19 November	600	585	600	55 121	330 722
20 November	600	555	600	118	699
21 November	600	600	600	588 224	3 529 344
22 November	600	550	600	130 019	780 104
23 November	600	550	550	300 019	1 800 104
26 November	600	550	550	300 019	1 800 104
27 November	600	550	550	300 019	1 800 104
28 November	600	550	550	300 019	1 800 104
29 November	609	580	609	1 196	7 226
30 November	599	570	599	6 502	37 233
3 December	620	551	620	176 441	1 048 748
4 December	620	578	620	1 258	7 796
5 December	620	620	620	–	–
6 December	620	620	620	–	–
7 December	620	620	620	–	–
10 December	620	620	620	–	–

DEALINGS IN EXTRACT SHARES BY PERSONS WHO PROVIDED IRREVOCABLE UNDERTAKINGS

The parties who provided irrevocable undertakings to vote in favour of the delisting and not accept the offer have had the following dealings in eXtract shares for the six months before the firm intention announcement, being Thursday 18 October 2018.

eXtract shareholder	Date	Purchase/ Sale	Number of shares bought/sold	Consideration per share (R)	Aggregate consideration (R)
Sweet Valley Enterprises Corporation Limited	6 June 2018	Purchase	215 822	5.00	1 079 110
	6 July 2018	Purchase	200 000	5.80	1 162 000



GROUP

eXtract Group Limited

(previously Eqstra Holdings Limited)

(Incorporated in the Republic of South Africa)

(Registration number 1998/011672/06)

JSE share code: EXG ISIN: ZAE000246013

(“eXtract” or the “Company”)

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the general meeting of eXtract shareholders of will be held at 10:00 on Monday, 21 January 2019 at the registered offices of the Company, 61 Maple Street, Pomona, Kempton Park, 1619, for the purposes of considering and, if deemed fit, adopting with or without modification, the resolutions set out below.

IMPORTANT DATES TO NOTE:

	2018
Firm intention announcement released on SENS	Thursday, 18 October
Record date to receive circular (together with the notice convening the general meeting)	Friday, 7 December
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS on	Thursday, 20 December
Circular (together with the notice convening the general meeting) posted on	Thursday, 20 December
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Friday, 21 December
Offer opens at 09:00	Friday, 21 December
	2019
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 8 January
Record date in order to be eligible to vote at the general meeting	Friday, 11 January
Last day forms of proxy should be lodged with the transfer secretaries for the general meeting (by 10:00)	Thursday, 17 January
General meeting held at 10:00	Monday, 21 January
Results of the general meeting released on SENS	Monday, 21 January
Results of the general meeting published in the press	Tuesday, 22 January

In terms of section 62(3)(e) of the Companies Act –

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the general meeting in the place of the shareholder; and
- a proxy need not be a shareholder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. All shareholders recorded in the register of the Company on the voting record date, being Friday, 11 January 2019, will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents or smart cards, drivers' licenses and passports.

Definitions and incorporation of provisions of the circular

Where appropriate and applicable, unless the converse appears from the context, terms defined in the circular to which this notice of general meeting is attached bear the same meanings in this notice of general meeting. This notice of general meeting must be read together with the contents of the circular.

ORDINARY RESOLUTION 1 – AUTHORITY TO APPLY FOR THE COMPANY’S DELISTING ON THE JSE

“**IT IS RESOLVED THAT**, the directors be and are hereby authorised to apply for the delisting of all eXtract shares from the main board of the JSE in accordance with sections 1.14 and 1.15 of the JSE Listings Requirements, which will result in the termination of the Company’s listing on the main board of the JSE, with effect from a date determined by the JSE.”

In order for ordinary resolution 1 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by eXtract shareholders, present in person or by proxy at the general meeting.

ORDINARY RESOLUTION 2: AUTHORITY TO SIGN DOCUMENTATION

“**IT IS RESOLVED THAT**, any director and/or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be required to give effect to ordinary resolution.”

In order for ordinary resolution 2 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by eXtract shareholders, present in person or by proxy at the general meeting.

QUORUM

A quorum for the purposes of considering the resolutions proposed at the general meeting shall consist of at least three shareholders personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition:

- a quorum shall comprise at least 25% of the voting rights that are entitled to be exercised by shareholders in respect of at least one matter to be decided at the general meeting; and
- a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of the matter at the time the matter is called on the agenda.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 11 January 2019.

SHAREHOLDERS

General instructions

Shareholders are encouraged to attend, speak and vote at the general meeting.

Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company secretary, Fusion Corporate Secretarial Services Proprietary Limited, by email to melinda@fusioncorp.co.za and/or andrea@fusioncorp.co.za, by no later than 10:00 on Thursday, 17 January 2019, by submitting the relevant contact details, including an e-mail address, cellular number and landline as well as full details of the shareholder’s title to securities issued by the Company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) and written confirmation from the shareholder’s Central Securities Depository Participant (“**CSDP**”) confirming the shareholder’s title to the dematerialised shares (in the case of dematerialised shares). Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting through this medium.

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any shareholder holding certificated shares, who cannot attend the general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the Company’s sub-register in dematerialised electronic form with “own-name” registration.

All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown 2107), faxed to +27 11 370 5238 or emailed to proxy@computershare.co.za, to be received by no later than 10:00 on Thursday, 17 January 2019, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

A proxy shall be deemed to have the right to demand or join in demanding a poll.

A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the shareholder concerned or revocation of the proxy or of the authority under which the proxy was executed or the transfer of shares in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Company at the office of its transfer secretaries more than, and that the transfer has been given effect to by the Company less than, 30 (thirty) minutes before the commencement of the general meeting.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the Company's transfer secretaries prior to the general meeting.

The Company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

GENERAL NOTES

1. A shareholder entitled to attend and vote at the general meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a shareholder of the Company.
2. In order to ensure an orderly arrangement of affairs at the general meeting, all forms of proxy or other instruments of authority should be deposited with the transfer secretaries, so as to be received by no later than 10:00 on Thursday, 17 January 2019, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
3. A shareholder which is a company or other body corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.
4. Shareholders who have not dematerialised their shares and "own-name" dematerialised shareholders who are unable to attend the general meeting and wish to be represented thereat, should complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received by no later than 10:00 on Thursday, 17 January 2019, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own-name" registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares and wish to attend the general meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend the general meeting.
6. Shareholders who have dematerialised their shares, other than with "own-name" registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
7. On a show, of hands, any person present and entitled to vote shall only have one vote, irrespective of the number of shares he holds or represents.
8. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to one vote for each share of which he is the registered holder or representative.
9. A resolution put to the vote at the general meeting shall be decided by way of a poll.

20 December 2018

By order of the board.

eXtract Group Limited



GROUP

eXtract Group Limited

(previously Eqstra Holdings Limited)

(Incorporated in the Republic of South Africa)

(Registration number 1998/011672/06)

JSE share code: EXG ISIN: ZAE000246013

("eXtract" or the "Company")

FORM OF PROXY FOR EXTRACT SHAREHOLDERS

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their eXtract shares;
- registered shareholders who have already dematerialised their eXtract shares and which shares are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders of eXtract who are unable to attend the general meeting of the Company to be held at the offices of the company at 61 Maple Street, Pomona, Kempton Park, 1619 at 10:00 on Monday, 21 January 2019.

If you are a dematerialised shareholder, other than with "own-name" registration, do not use this form. Dematerialised shareholders, other than with "own-name" registration, should provide instructions to their appointed Central Securities Depository Participant ("CSDP") or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (BLOCK LETTERS PLEASE)

of (ADDRESS)

Telephone number:

Cell phone number:

Email address:

being the holder/s of

eXtract shares hereby appoint:

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairman of the general meeting,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s):

Please indicate with an "X" or a ✓ in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	In favour of	Against	Abstain
Ordinary resolution 1 – Authority to apply for the Company's delisting on the JSE			
Ordinary resolution 2 – Authority to sign documentation			

* One vote per share held by eXtract shareholders recorded in the register on the voting record date.

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this _____ day of _____ 20__

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of the Company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, posted to PO Box 61051, Marshalltown, 2107, faxed to +27 11 370 5238 or emailed to proxy@computershare.co.za, so as to arrive by no later than 10:00 on Thursday, 17 January 2019, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. Only shareholders who are registered in the register of the Company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, being Friday, 11 January 2019 (the “**voting record date**”), may complete a form of proxy or attend the general meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with “own-name” registration. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a shareholder of the Company.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the Company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected “own-name” registration in the register of the Company through a Central Securities Depository Participant (“**CSDP**”) and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected “own-name” registration in the register of the Company through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timely provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder’s choice in the space, with or without deleting “the chairman of the general meeting”. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date –
 - 8.1. stated in the revocation instrument, if any; or
 - 8.2. upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
9. Should the instrument appointing a proxy or proxies have been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company’s memorandum of incorporation to be delivered by the Company to the shareholder must be delivered by the Company to –
 - 9.1. the shareholder, or
 - 9.2. the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the Company or the instrument appointing the proxy provide otherwise.
11. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy –
 - 11.1. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2. the Company must not require that the proxy appointment be made irrevocable; and
 - 11.3. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialed.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in the Company that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the Company’s transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be shall alone be, shall be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the Company. A resolution put to the vote at the general meeting shall be decided by way of a poll.
18. The chairman of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
20. A shareholder’s instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
21. In order to ensure an orderly arrangement of affairs at the general meeting, it is requested that this form of proxy be lodged or posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 by fax on +27 11 370 5238 or by email to proxy@computershare.co.za, to be received by the Company no later than 10:00 on Thursday, 17 January 2019, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting. A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the general meeting. In addition, a quorum shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting.
22. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
23. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



GROUP

eXtract Group Limited

(previously Eqstra Holdings Limited)

(Incorporated in the Republic of South Africa)

(Registration number 1998/011672/06)

JSE share code: EXG ISIN: ZAE000246013

("eXtract" or the "Company")

FORM OF ACCEPTANCE, SURRENDER AND TRANSFER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

The definitions and interpretations commencing on page 7 of the circular to which this form of acceptance, surrender and transfer is attached to and forms part of, have, where necessary, been used herein.

Instructions:

1. A separate form of acceptance, transfer and surrender is required for each shareholder.
2. Subject to paragraph 4.6 of Part A of the circular all acceptances of the offer received by the transfer secretaries, the offeror or the relevant CSDP or broker prior to the closing date will be irrevocable.
3. Documents of title surrendered by eXtract shareholders in advance of the fulfilment of the conditions precedent set out in paragraph 4.4 of Part A of the circular will be held in trust by the transfer secretaries, at the eXtract shareholder's risk, pending the fulfilment of the conditions precedent. If the conditions precedent are not fulfilled by the 45th business day after the opening date, the offeror reserves the right to extend this date to a date approved by the TRP and the offeror. If the conditions precedent remain unfulfilled following the said extended date, the transfer secretaries will return the documents of title by registered post, to the certificated eXtract shareholders in question and at their own risk. Within three business days following the date upon which an announcement is made on SENS and in the press that the conditions precedent have not been fulfilled. **Certificated eXtract shareholders who surrender their documents of title before the closing date will not be able to trade their eXtract shares after surrender.**
4. **Part A** must be completed by all shareholders who return this form relating to the surrender of documents of title.
5. **Part B** must be completed by those shareholders who accept the offer.
6. **Part C** must be completed by those shareholders who elect to receive the offer consideration electronically transferred into their bank accounts.
7. **Part D** must be completed by shareholders who are emigrants from or non-residents of the Common Monetary Area.

Please also read the notes on the reverse side hereof

To: eXtract Group Limited

Care of: Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61763, Marshalltown, 2107)

Dear Sirs,

PART A – Surrender of documents of title

All shareholders who return this form must please complete Part A.

I/We, the undersigned, hereby surrender and attach the following documents of title in respect of my/our shares in eXtract.

Signature of shareholder:

Assisted by (if applicable): Name Capacity Signature

Date:

Please complete the section below in BLOCK LETTERS:

Surname of Name of Corporate Body:

First names (in full), if applicable

Title (Mr, Mrs, Miss, Dr, etc.)

Postal address (preferably PO Box address)

Postal code

Telephone number (office hours) Code Number

Cell phone number

Share certificate/s and/or documents of title surrendered:

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of eXtract shares covered by each certificate	Total
Total			

My/Our signature/s on this form constitutes my/our execution of this instruction.

PART B – Acceptance of the offer

Shareholders who accept the offer must please complete Part B.

I/We hereby accept the offer in respect of _____ eXtract shares held by me/us.

(Failure to state the number of shares shall be deemed to indicate acceptance of the offer in respect of all shares indicated by the documents of title surrendered by that shareholder or his/her representative.)

PART C – To be completed by shareholders who wish to have the offer consideration transferred into their bank accounts

Name of bank account holder:
Account number:
Name of bank:
Branch:
Branch code:
Type of bank account (cheque, savings, transmission, etc.):

Notes:

- The offer consideration will only be electronically transferred if Part C is properly completed and this form is returned to the transfer secretaries together with the documents of title on or before the closing date.*
- Once the offer has been accepted before 12:00 on a Friday during the offer period, payment of the offer consideration will be made as set out in paragraph 4 of Part A of the circular.*
- In terms of FICA requirements, Computershare Investor Services Proprietary Limited will not record any bank mandate without certified true copies of the shareholder's identity document and bank statement.*

PART D

1. To be completed by all emigrants from and non-residents of the Common Monetary Area.

The offer consideration will be forwarded to the authorised dealer nominated below for its control. Accordingly, non-residents who are emigrants from the Common Monetary Area must provide the following information:

Name of Authorised Dealer/Bank:	Stamp and address of agent lodging this form (if any)
Address:	
Account Number:	

2. To be completed only by all other non-resident certificated shareholders who wish to provide a substitute address.

The offer consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and an address provided below:

Substitution address:

If no nomination is made in terms of 1 above, the offer consideration will be held in trust by eXtract or the transfer secretaries.

Notes:

1. Emigrants from the Common Monetary Area must complete Part D.
2. All other non-residents of the Common Monetary Area must complete Part D if they wish the offer consideration to be sent to an authorised dealer in South Africa.
3. If Part D is not properly completed, the offer consideration (in the case of emigrants or non-residents), will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. The offer consideration will not be sent to shareholders unless and until documents of title in respect of the relevant eXtract shares have been surrendered to the transfer secretaries.
5. If a shareholder produces evidence to the satisfaction of the offeror that documents of title in respect of his eXtract shares have been lost or destroyed the offeror may waive the surrender of such documents of title against delivery of an indemnity in a form and on terms and conditions approved by it, or may in its discretion waive such indemnity.
6. If this form is not signed by the shareholder, the shareholder will be deemed to have irrevocably appointed the company secretary or eXtract to implement that shareholder's obligations under the offer on his/her behalf.
7. Persons who have acquired shares in eXtract after Friday, 7 December 2018, the record date to determine which shareholders are eligible to receive the document to which this form of acceptance, transfer and surrender is attached, can obtain copies of the document from Computershare Investor Services Proprietary Limited whose address is Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107).
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the JSE Listings Requirements, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form must be signed in full and not initialled.
10. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by eXtract or the transfer secretaries).
11. Where the shareholder is a company or a close corporation, unless it has been registered with eXtract or the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form must be submitted if so requested by the offeror.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where there are joint holders of any shares, only that holder whose name stands first in the register in respect of such shares need sign this form.

