

ECSPONENT LIMITED

Incorporated in the Republic of South Africa
Registration number: 1998/013215/06
JSE Code: ECS – ISIN: ZAE000179594
Debt Issuer Code: ECSD
Hybrid Issuer Code: ECSH
("the Company" or "Ecsponent")

UNWINDING OF A CREDIT GRANT TO A RELATED PARTY

Shareholders are advised that GetBucks Limited (a company incorporated under the laws of Mauritius) ("**GetBucks Mauritius**"), previously a wholly-owned subsidiary of My Bucks S.A. ("**MyBucks**"), issued a promissory note of USD550,000 ("**the Note**") (ZAR9.3 million at the exchange rate as at the date of this announcement) to ECS Private Equity Limited ("**Ecsponent Botswana**"), a wholly owned subsidiary of Ecsponent, on 30 January 2020, which had a maturity date of 15 June 2020 ("**Maturity Date**").

The Note:

- attracts interest at a rate of 18% (eighteen percent) per annum, from the date of issuance until Maturity Date;
- is secured, with MyBucks, being the holding company of GetBucks Mauritius at the time, providing security for the payment of the Note in the form of an irrevocable undertaking to:
 - o issue 550,000 ordinary MyBucks shares in the event of a default on the repayment of the Note; and
 - o issue such number of MyBucks ordinary shares in lieu of any accrued but unpaid interest, at a price of USD1.00 per MyBucks ordinary share; and
- was not fully settled on Maturity Date, having an outstanding balance of USD316,436 (ZAR5.35 million as at the date of this announcement).

GetBucks Mauritius, which has subsequently been acquired by the MHMK Group Limited ("**MHMK**") from MyBucks, is a related party to the Company by virtue of its relationship with MHMK. MHMK is a material shareholder of the Company and an associate of George Manyere, a director of the Company. Accordingly, the issue of the Note by GetBucks Mauritius to Ecsponent, which constituted the granting of this credit to a related party, would have been subject to Ecsponent shareholders' approval.

The Company has accordingly decided to unwind the credit arrangement, by ensuring an effective settlement of the credit so granted through the issue of the Note. In order to achieve this, it should be noted that:

- while GetBucks Mauritius owes Ecsponent USD316,436 (ZAR5.35 million as at the date of this announcement), the Company also owes MHMK separately a debt (which is unsecured and interest free) relating to the funding of working capital advanced over the past couple of months, as the Company faced financial constraints, amounting to ZAR5.437 million as at the date of this announcement; and
- MHMK has agreed to off-set the debt owing to it by the Company against the debt owing by GetBucks Mauritius to the Company, thereby ensuring an effective settlement of both the debt owing to the Company by GetBucks Mauritius, and a partial settlement of the debt owing by the Company to the MHMK group of companies and its associates.

Pretoria
2 July 2020

Sponsor to Ecsponent



Questco Corporate Advisory (Pty) Ltd