

UNICORN CAPITAL PARTNERS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1992/001973/06)
Share code: UCP
ISIN: ZAE000244745
("UCP" or "the Company")



AFRIMAT LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/022534/06)
Share code: AFT
ISIN: ZAE000086302
("Afrimat")



PRO FORMA FINANCIAL EFFECTS OF THE SCHEME AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

- 1.1. UCP shareholders are referred to the joint SENS announcement dated 22 July 2020 ("**Firm Intention Announcement**") by the Company and Afrimat, advising that UCP's board of directors had received a firm intention from Afrimat to make an offer to acquire all the ordinary shares in UCP not already held by Afrimat (or by its subsidiaries) or by subsidiaries of UCP, by way of a scheme of arrangement ("**the Scheme**") in terms of section 114 of the Companies Act, No. 71 of 2008 ("**Firm Intention Offer**"). Should the Scheme become operative, UCP shareholders will receive 1 Afrimat ordinary share for every 280 UCP ordinary shares disposed of, with no cash alternative.
- 1.2. As the *pro forma* financial effects of the Scheme were not yet available at the time of the Firm Intention Announcement, they were not included in that announcement and the Company renewed its previous cautionary announcement, pending publication of the such *pro forma* financial effects. The *pro forma* effects of the Scheme on earnings and asset value per UCP ordinary share ("**UCP Share**") are now set out below, in terms of Regulation 101(7)(b)(iv) of the Companies Regulations, 2011.

2. PRO FORMA FINANCIAL EFFECTS OF THE SCHEME

- 2.1. The summarised *pro forma* financial effects, showing the position following implementation of the Scheme, are presented below in a manner consistent with the basis on which the consolidated historical financial information of Afrimat has been prepared in terms of Afrimat's accounting policies, which are similar to the accounting policies of UCP. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present Afrimat's financial position, changes in equity, results of operations or cash flows post the implementation of the Scheme.
- 2.2. The *pro forma* financial effects have been prepared in accordance with International Financial Reporting Standards, the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants and the JSE Limited Listings Requirements.
- 2.3. Due to the year end of UCP being 30 June each year and the year end of Afrimat being 28 February each year, the summarised *pro forma* financial information of UCP after the Scheme has been prepared based on the condensed consolidated statement of profit or loss of UCP

for the rolling 12-month period ended 31 December 2019 (“**12-month Profit or Loss Statement**”), and on the assumption that the Scheme took place with effect from 1 March 2019 (being the commencement of Afrimat’s last reported financial year), for purposes of the *pro forma* consolidated statement of profit or loss for the rolling 12-month period, and on 29 February 2020, for purposes of the *pro forma* consolidated statement of financial position.

- 2.4. The 12-month Profit or Loss Statement will be disclosed in the Scheme circular to be distributed to UCP shareholders in due course, together with the *pro forma* financial effects of the Scheme on Afrimat ordinary shares.

	Before implementation of the Scheme (cents) (1 UCP share)	Pro forma after implementation of the Scheme³ (cents) (equivalent of 1 UCP share)	Change (%)
Net asset value per UCP Share ¹	52	4.6	(91.1%)
Tangible net asset value per UCP Share ¹	33	4.0	(87.8%)
Headline earnings per UCP share ²			
<i>Continuing operations</i>	(5.61)	1.05	118.6%
<i>Discontinued operations</i>	(2.33)	(0.07)	97.0%
Earnings per UCP share ²			
<i>Continuing operations</i>	(6.64)	1.04	115.6%
<i>Discontinued operations</i>	(3.33)	(0.07)	97.9%

Notes and Assumptions

- 1) Net asset value per UCP Share and tangible net asset value per UCP Share were extracted from the balance sheet, without adjustment, in the interim results of UCP for the six months ended 31 December 2019.
- 2) Headline earnings per UCP Share and earnings per UCP Share were extracted from the 12-month Profit or Loss Statement, calculated as the annual restated audited results for the year ended 30 June 2019, minus interim restated unaudited results for the six months ended 31 December 2018, adding the interim unaudited results for the six months ended 31 December 2019. The UCP results were restated to reflect the reclassification of the Nkomati Mine from discontinued to continuing operations.
- 3) The financial effects shown reflect Afrimat’s *pro forma* asset and earnings ratios, considering the acquisition of 100% of UCP in terms of the Scheme divided by 280 to show the equivalent of 1 UCP share.

3. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The independent board of UCP directors, constituted in relation to the Firm Intention Offer and the Scheme, accepts responsibility for the information contained in this announcement which relates to UCP and confirms that, to the best of its knowledge and belief, such information which relates to UCP is true and this announcement does not omit anything likely to affect the importance of such information.

4. AFRIMAT BOARD RESPONSIBILITY STATEMENT

The board of directors of Afrimat accepts responsibility for the information contained in this announcement which relates to Afrimat and confirms that, to the best of its knowledge and belief, such information which relates to Afrimat is true and this announcement does not omit anything likely to affect the importance of such information.

5. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

As the *pro forma* financial effects of the Scheme have now been announced, the Company advises that the cautionary announcement dated 25 May 2020, as renewed on 7 July 2020 and in the Firm Intention Announcement dated 22 July 2020, is hereby withdrawn and that, accordingly, caution is no longer required to be exercised by UCP shareholders when dealing in their securities.

4 August 2020

Sponsor and Transaction Advisor to Afrimat
PSG Capital



Transaction Advisor to UCP
AcaciaCap Advisors Proprietary Limited



Sponsor to UCP
Questco Corporate Advisory Proprietary Limited

