



**NWK HOLDINGS LIMITED**  
(Incorporated in the Republic of South Africa)  
Registration Number: 1998/007243/06  
4AX Share Code: 4ANWKH  
ISIN: ZAE400000028  
  
("NWK Holdings")



**NWK LIMITED**  
(Incorporated in the Republic of South Africa)  
Registration Number: 1998/007577/06  
4AX Share Code: 4ANWK  
ISIN: ZAE400000010  
  
("NWK")

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## ANTICIPATED CASH VALUE FOR FRACTIONAL ENTITLEMENT RELATING TO THE OFFER BY NWK HOLDINGS TO ACQUIRE ALL OF THE ORDINARY SHARES IN NWK NOT ALREADY OWNED BY IT

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### 1. Introduction

- 1.1. Shareholders of NWK ("**NWK Shareholders**") are referred to the joint firm intention announcement ("**Firm Intention Announcement**") by NWK Holdings and NWK published on the 4 Africa Exchange Proprietary Limited's ("**4AX**") News Service on Monday, 08 June 2020, in which it was announced, *inter alia*, that NWK Holdings and NWK had entered into an implementation agreement pursuant to which NWK Holdings has delivered notice to NWK of its firm intention to make an offer ("**Offer**") to acquire all the issued ordinary shares of NWK ("**NWK Shares**") from the holders of NWK Shares, other than NWK Holdings itself, by way of a scheme of arrangement ("**Scheme**") in terms of section 114(1) of the Companies Act 71 of 2008 ("**Companies Act**"), alternatively a general offer ("**General Offer**"), at the offer consideration as stipulated in the Firm Intention Announcement.
- 1.2. The definitions and interpretations commencing on page 13 of the Combined Offer Circular to NWK Shareholders dated Tuesday, 07 July 2020 have been used in this announcement.
- 1.3. The purpose of this announcement is to advise NWK Shareholders of the anticipated cash value in respect of fractional entitlements in relation to the NWK Holdings Shares to be received as part of the Share Only Consideration. For the avoidance of doubt, the final fractional entitlement is expected to be announced on the 4AX news service on the Scheme Finalisation Date, being 20 August 2020.

### 2. Anticipated Cash Value for Fractional Entitlements

- 2.1. As detailed in the Combined Offer Circular, NWK Shareholders who shall be recorded in the Register of NWK on the Scheme Record Date, will be issued NWK Holdings Shares, in respect of all their NWK Shares held as at the close of business on the Scheme Record Date, in accordance with the Share Only Consideration, if they qualify as BFCAP Participants.
- 2.2. As a reminder, BFCAP Participants, being those NWK Shareholders who satisfy the restrictions imposed on the transferability of NWK Holdings Shares and therefore qualify to hold NWK Holdings Shares, will receive 1.2419 (one point two four one nine) NWK Holdings Shares for every 1 (one) NWK Share disposed of in terms of the Scheme, being the Shares Only Consideration of the Offer Consideration.
- 2.3. Where a NWK Shareholder's entitlement to new NWK Holdings Shares under the abovementioned ratio gives rise to a fraction of a new NWK Holdings Share, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole NWK Holdings Shares and a cash payment in respect of the fraction ("**Rounding Provision**"). In terms of the 4AX Listing Requirements, the applicable cash payment in respect of fractional entitlements will be determined by using the volume weighted average price ("**VWAP**") of NWK Holdings Shares as at 21 July 2020, less 10%.
- 2.4. Due to there being no NWK Holdings Shares traded on 4AX on Tuesday, 21 July 2020, it was resolved that the 30-day-VWAP would be utilised in the calculation of the anticipated fractional entitlement, being 484.97738 cents per NWK Holdings Share. This amount, discounted by 10%, is 436.47964 cents per share. As mentioned in paragraph

1.3 above, the cash value amount in this announcement is only an indicative cash value amount and the final cash value payment for the fractional entitlements will be announced upon all Conditions Precedent to the Proposed Transaction being fulfilled, expected to be on or about Thursday, 20 August 2020.

## **2.5. Example of anticipated fractional entitlement**

- 2.5.1. This example assumes that a BCAP Participant held 1 (one) NWK Share at the close of business on Tuesday, 21 July 2020.
- 2.5.2. The ratio of NWK Holdings Shares to which a BFCAP Participant will become entitled pursuant to the Share Only Consideration is 1.2419 (one point two four one nine) NWK Holdings Shares for every 1 (one) NWK Share held at close of business on Tuesday, 21 July 2020.
- 2.5.3. By applying the Rounding Provision, the BFCAP Participant with 1 (one) NWK Share will receive 1 (one) new NWK Holdings Share for every 1 (one) NWK Share held and a cash payment for the fraction of  $0.2419 \times 436.47964 = 105.4684$  cents. All cash value fractional entitlements will be rounded to the nearest full cent (0.4 and lower rounded down and 0.5 and higher rounded up).
- 2.5.4. NWK Shareholders are informed that, as far as the tax implications of the cash payment of the fractional entitlements are concerned, the receipt of the cash payment will not be subject to dividend withholding tax.
- 2.5.5. The above is a general guide and is not intended to constitute a complete or binding analysis of the taxation consequences of the cash payment of fractional entitlements in terms of South African taxation law. It is not intended to be, nor should it be considered as legal or taxation advice and shareholders are advised to seek their own tax advice from an independent tax adviser.
- 2.5.6. NWK and its advisers cannot be held responsible for the taxation consequences that the Offer Consideration may have on individual NWK Shareholders and therefore NWK Shareholders are advised to consult their own tax advisers if they are in any doubt about their tax position.

**Lichtenburg**

**22 July 2020**

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