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**EFFICIENT GROUP LIMITED**  
Incorporated in the Republic of South Africa  
(Registration number 2006/036947/06)  
Share code: EFG ISIN: ZAE000151841  
("Efficient" or "the Company")

**APIS GROWTH 12 SOUTH AFRICA  
PROPRIETARY LIMITED**  
Incorporated in the Republic of South Africa  
(Registration number 2020/038206/07)  
("Apis")

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**JOINT ANNOUNCEMENT OF A FIRM INTENTION BY APIS TO MAKE AN OFFER TO ACQUIRE  
THE ENTIRE ISSUED SHARE CAPITAL OF EFFICIENT (OTHER THAN CERTAIN EXCLUDED  
SHARES) AND WITHDRAWAL OF CAUTIONARY**

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**1 INTRODUCTION**

Further to the cautionary announcement released on SENS on 29 July 2019 and the subsequent renewals of such cautionary announcement, the last of which was dated 6 March 2020, the board of directors of Efficient ("**Board**") and the board of directors of Apis ("**Apis Board**") are pleased to announce that the Company and Apis (the "**Offeror**") have concluded a written implementation agreement ("**Implementation Agreement**") dated 11 March 2020 ("**Signature Date**") in terms of which Apis has made a firm offer ("**Offer**") to acquire all of the issued ordinary shares in the Company ("**Shares**"), excluding 110 333 872 Shares ("**Excluded Shares**") held by the "**Remain Shareholders**" as detailed below, being a total of 6 609 259 Shares ("**Scheme Shares**").

The Remain Shareholders (including their shareholding in Efficient), comprise Apis Growth 12 Ltd ("**Apis Growth 12**") (27 777 778 Shares), Sasfin Wealth Proprietary Limited (26 118 067 Shares), TBI Strategic Partners Proprietary Limited (18 621 606 Shares), Grondputs Beleggings Proprietary Limited (15 066 643 Shares), H Weidhase (6 036 644 Shares), D Roodt (5 185 031 Shares), E B Weidhase (2 636 221 Shares), R Craib (2 100 689 Shares), B Weidhase (2 095 543 Shares), T Booysen (1 949 780 Shares), S F Booysen (1 542 639 Shares), A T de Klerk (498 499 Shares), J P De Klerk (280 000 Shares), R Barnard (171 839 Shares), W D Basson (37 893 Shares), D J Janse van Rensburg (30 000 Shares) and T Thomson (185 000 Shares).

The Offer will be implemented by way of a scheme of arrangement ("**Scheme**"), between the Company and the holders of its Shares ("**Shareholders**"), in terms of section 114 of the Companies Act, 2008 (Act 71 of 2008), as amended ("**Companies Act**").

The amount payable in terms of the Scheme will be a cash consideration of R5.51 per Scheme Share ("**Scheme Consideration**").

The Board has convened an independent board ("**Independent Board**") as required by the Companies Regulations, 2011 ("**Companies Regulations**"), which comprises Babalwa Ngonyama (Chairperson), Zee Cele and Joe Rosen, for purposes of evaluating and advising Shareholders whether the Scheme and the Scheme Consideration are fair and reasonable to Shareholders.

The Shares will be delisted from the Main Board of the JSE Limited ("**JSE**") pursuant to the implementation of the Scheme ("**Delisting**").

The purpose of this joint firm intention announcement ("**Firm Intention Announcement**") is to advise Shareholders of the terms and conditions of the Scheme.

## 2 BACKGROUND TO THE COMPANY AND THE OFFEROR

Efficient and its subsidiaries (“**Group**”) is a diversified financial services group focused on providing professional advice, custom-designed products and quality service across the entire financial services value chain. The Group’s offering includes financial planning services, asset management, multi-management, asset consulting, asset administration, fiduciary services, private client services, and independent employee benefits consulting services, which are offered to clients throughout South Africa.

The Group structure consists of a three-pillared organisational structure which centres around the following clusters:

**Financial Services cluster**, which is focused on providing professional financial planning services and financial products to clients.

**Services and Solutions cluster**, which is focused on empowering and enabling the financial advisor to provide market-leading and value-added services to the clients of the financial advisor.

**Investments cluster**, which is focused on investing in and growing financial services opportunities where the Group believes it can add value for its clients through a competitive advantage.

As announced on SENS on 29 July 2019, Apis Growth 12 and the Company entered into a Subscription Agreement in terms of which Apis Growth 12 subscribed for, and on 1 November 2019 Efficient issued and allotted, 27 777 778 of the unissued but authorised ordinary Shares in the share capital of the Company (representing, after their allotment and issue, approximately 23.75% of all Shares in issue) to Apis Growth 12, for cash, at an issue price of R4.50 per Share and for the total consideration of R125 000 001 (“**Specific Issue**”).

Apis is a private company duly registered and incorporated in accordance with the laws of South Africa, and a wholly-owned subsidiary of Apis Growth 12. Apis Growth 12 is a company incorporated under the laws of Mauritius and owned by Apis Growth Fund I L.P., (an English limited partnership), Apis Growth I (B) L.P., (an English limited partnership) and Apis Growth I Africa L.P., (a Mauritius limited partnership) (collectively referred to as “**Apis Growth Fund I**”). Apis Growth Fund I is a private equity fund managed by Apis Partners LLP, a London-based private equity fund manager, which is authorised and regulated by the UK Financial Conduct Authority. Apis Partners LLP is a private equity asset manager that supports growth stage financial services and financial infrastructure businesses in Africa and Asia by managing funds which provide them with catalytic growth equity capital.

The Specific Issue, *inter alia*, introduced Apis Growth 12 as a new strategic investor into the Company - bringing with it deep expertise in emerging markets financial services businesses and related technology.

## 3 RATIONALE FOR THE OFFER

While the Efficient Group’s strategic objective remains to be a leading diversified financial services provider with a national footprint, the Board believes that the proposed Scheme will provide significant benefits for Efficient and its Shareholders including:

- reinforcing Apis Growth 12’s position as an anchor Shareholder better suited in assisting Efficient in delivering on its key strategic objectives in today’s challenging business environment; and
- Efficient Shareholders receiving a significant premium for their Shares.

The Apis Board believes that Efficient presents a uniquely attractive investment given the Company’s market positioning and growth strategy. With extensive knowledge of the financial services industry and significant experience in corporate transactions, including acquisitions, the Apis Board intends

to combine its capabilities with those of the Board and to unlock value through key value creation initiatives.

#### 4 SALIENT TERMS OF THE SCHEME

The Scheme constitutes an "*affected transaction*" as defined in section 117(1)(c)(iii) of the Companies Act, and, as such, the Scheme is regulated by the Companies Act and the Companies Regulations.

The salient terms and conditions of the Scheme and other information pertaining to the Scheme are set out below.

##### 4.1 Scheme

The Scheme will be proposed by the Board, on recommendation of the Independent Board, between the Company and its Shareholders.

In the event the Scheme becomes operative, the listing of the Shares on the JSE will be terminated and each Shareholder, excluding (i) the Offeror; (ii) the Remain Shareholders; and (iii) those Shareholders ("**Dissenting Shareholders**") that validly exercise their appraisal rights in accordance with section 164 of the Companies Act ("**Appraisal Rights**") and who have not had their rights in respect of their Shares re-instated as envisaged in sections 164(9) and 164(10) of the Companies Act, whether voluntarily or pursuant to a final court order ("**Scheme Participants**"); will be deemed to have disposed of all of their Scheme Shares in exchange for the Scheme Consideration, such that the Offeror will own all of the Scheme Shares previously held by the Scheme Participants.

The Remain Shareholders have agreed with the Company that they will not be Scheme Participants and will not dispose of any of their Shares pursuant to the Scheme.

The Remain Shareholders will be excluded for purposes of both determining whether the applicable quorum requirements are satisfied and voting on the special resolution to approve the Scheme ("**Scheme Resolution**"), as contemplated in section 115(2)(a) of the Companies Act.

The Scheme will be subject to the fulfilment or waiver of the conditions precedent set out in paragraph 4.3 below.

##### 4.2 Scheme Consideration

Subject to the Scheme becoming operative, Scheme Participants will be entitled to receive a cash consideration of R5.51 per Scheme Share.

The tax implications of the Scheme are dependent on the individual circumstances of the Scheme Participant concerned and the tax jurisdiction applicable to such Scheme Participant. It is recommended that the Scheme Participants seek appropriate advice in this regard.

##### 4.3 Scheme Conditions

4.3.1 The implementation of the Scheme will be subject to the fulfilment or waiver (as the case may be) of the following conditions precedent ("**Scheme Conditions**") by no later than 17:00 on 30 June 2020 ("**Long-Stop Date**") or such other date as specified in the specific Scheme Condition:

4.3.1.1 the Scheme Resolution is approved by the requisite majority of Shareholders, as contemplated in section 115(2)(a) of the Companies Act,

and in the event of the provisions of section 115(2)(c) of the Companies Act becoming applicable:

- 4.3.1.1.1 by no later than 40 Business Days after the Scheme Resolution is approved, the Scheme is approved by the High Court of South Africa; and
  - 4.3.1.1.2 if applicable, the Company not treating the Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act;
- 4.3.1.2 with regards to Shareholders exercising their Appraisal Rights (if any), either:
- 4.3.1.2.1 Shareholders give notice objecting to the Scheme Resolution as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution in respect of less than 15% of all Efficient Shares in issue; or
  - 4.3.1.2.2 if Shareholders do give notice objecting to the Scheme Resolution and vote against the Scheme Resolution in respect of 15% or more of all of all Efficient Shares in issue, then, within the time period permitted in terms of the Companies Act, Dissenting Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 15% of all Efficient Shares in issue;
- 4.3.1.3 all regulatory consents are received, namely approval by the Financial Surveillance Department of the South African Reserve Bank in terms of the Exchange Control Regulations, the JSE and the Panel, provided that if such consents (or any of them) are granted conditionally or on terms, this condition shall not be regarded as having been fulfilled unless before such date Apis and Efficient confirm, in writing, that such conditions and terms are acceptable to each of them;
- 4.3.1.4 the provision by the Company of a written certificate, signed by a duly authorised Director, to Apis that, to the Company's knowledge following due and careful enquiry, no Material Adverse Change (as detailed in paragraph 4.5.6 below) has occurred, as at the date immediately prior to the release of the Firm Intention Announcement; and
- 4.3.1.5 the JSE grants its written approval in respect of the delisting of the Company, being the removal of the Company's securities from the JSE's list of securities.

In the event that the Scheme Conditions are not fulfilled or waived timeously, the Scheme will not become operative and shall be of no force or effect.

#### **4.4 Waiver of Scheme Conditions**

The Scheme Condition in paragraph 4.3.1.4 has been stipulated for the benefit of Apis, which will be entitled to waive the fulfilment of such Scheme Condition on written notice to the Company prior to the Long-Stop Date. The Scheme Condition in paragraph 4.3.1.2 has been stipulated for the benefit of both Apis and the Company and both Apis and the Company shall be entitled to waive fulfilment of the same by written agreement.

The Scheme Conditions in paragraphs 4.3.1.1 and 4.3.1.3 are regulatory in nature and may not be waived.

In terms of the Implementation Agreement, the Company has given certain undertakings in relation to the non-solicitation and/or receipt of alternative proposals in respect of the Shares and/or the Group.

#### 4.5 Termination Events

Subject to paragraph 4.5.7 below, the Scheme will terminate with immediate effect and all rights and obligations of the parties under the Scheme will terminate forthwith upon the occurrence of the following events, namely:

- 4.5.1 upon written notice by Apis to the Company, if the Independent Board recommends an alternative proposal to the Shareholders;
- 4.5.2 upon written notice by the Company to Apis if the Company has received an alternative proposal which the Independent Board reasonably determines to be more favourable to Scheme Participants ("**Superior Proposal**"), and, after following the process set out in the Implementation Agreement which requires the Independent Board to provide Apis with an opportunity to match the Superior Proposal, such alternative proposal continues to be a Superior Proposal;
- 4.5.3 if any Scheme Condition, which may be waived by Apis, becomes incapable of fulfilment, and Apis notifies the Company in writing that it will not waive that Scheme Condition;
- 4.5.4 if all the Scheme Conditions have not been fulfilled or waived (to the extent permitted) on or before the relevant date/s for fulfilment or waiver;
- 4.5.5 upon written notice by either Apis or the Company to the other of them ("**Defaulting Party**") if the Defaulting Party commits a breach of any material provision of the Implementation Agreement and fails to remedy such breach within five Business Days of receipt of a notice by the Defaulting Party from the other party requesting such remedy;
- 4.5.6 on the Business Day after Apis has given written notice to the Company if a Material Adverse Change occurs. A "*Material Adverse Change*" means:
  - any cost, loss, damage, charge, expense and/or impact to the Company, any of the Subsidiaries as specifically set out in the Implementation Agreement ("**Substantive Subsidiaries**") or any of their respective businesses exceeding an amount of R20 000 000 (twenty million rand), including, specifically and notwithstanding the foregoing, the termination of any licence required by the Company and/or any of the Substantive Subsidiaries to conduct its business in the ordinary course, but excluding any circumstance, fact or event that was fairly disclosed in writing by the Group to Apis and/or Apis Growth 12 before the Signature Date.
- 4.5.7 Neither the Company nor Apis shall be entitled to terminate or otherwise cancel the Implementation Agreement or the Scheme after the date on which the Scheme becomes operative ("**Scheme Implementation Date**"). Accordingly, if any provision set out in paragraph 4.5 above provides for a remedy period, and the Scheme Implementation Date occurs before the expiry of such remedy period, the remedy period shall expire on the Scheme Implementation Date, even if that results in there being no remedy period. Save for precluding the Company or Apis from terminating

or otherwise cancelling the Implementation Agreement after the Scheme Implementation Date, the provisions of this paragraph 4.5.7 are without prejudice to such other rights and remedies as the Company and Apis may have in law, including the rights to claim damages or to seek specific performance.

## 5 IRREVOCABLE UNDERTAKINGS

Shareholders who hold in aggregate 3 379 147 Shares, representing 53.74% of the Shares in the Company which are eligible to vote at the General Meeting referred to in paragraph 10 below, have provided irrevocable undertakings to vote in favour of the Scheme Resolution at the General Meeting or any adjournment thereof.

Shareholder	Date of irrevocable undertaking	Shares subject to undertaking	Scheme voting rights (%)
Arend De Waal Trust	10 February 2020	1 790 071	28.47
Lisa Wapnick Filipov	5 February 2020	500 000	7.95
John Michael Steytler	3 February 2020	449 361	7.15
Aliko Trust	5 February 2020	360 000	5.72
Willie Botha Family Trust	4 February 2020	279 715	4.45
<b>TOTAL</b>		<b>3 379 147</b>	<b>53.74</b>

## 6 GUARANTEE

In compliance with regulations 111(4) and 111(5) of the Companies Regulations, Apis has provided the Takeover Regulation Panel with an irrevocable, unconditional bank guarantee issued by Absa Bank South Africa Limited ("**Absa Bank**") in the amount of R36 417 017.10, being the Scheme Consideration, confirming that, in the event that the Scheme Consideration is not paid within the relevant time period, Absa Bank agrees to make payment of the Scheme Consideration to Link Market Services South Africa Proprietary Limited, being the Company's transfer secretaries, for the benefit of Scheme Participants.

## 7 DELISTING

Following implementation of the Scheme, the listing of all the Shares on the JSE will be terminated.

## 8 ACTING AS PRINCIPAL

Apis confirms that it is the ultimate proposed purchasers of all the Scheme Shares and that it is not acting as agent or broker for any other party.

No party is acting in concert with Apis, other than Apis Growth 12, its parent company, which is regarded to be acting in concert in terms of section 117(2) of the Companies Act.

## 9 INDEPENDENT BOARD, INDEPENDENT EXPERT AND RECOMMENDATIONS

The Independent Board has appointed Nodus Capital TS Proprietary Limited as the independent expert ("**Independent Expert**"), as required in terms of section 114(2) of the Companies Act and the Companies Regulations, to issue an opinion dealing with the matters set out in sections 114(2) and 114(3) of the Companies Act and regulations 90 and 110(1) of the Companies Regulations, and to express an opinion on whether the Scheme and the Scheme Consideration are fair and reasonable to Shareholders ("**Independent Expert Report**").

Having regard to the Independent Expert Report (which is in draft form as at the Signature Date), the Independent Board is of the opinion that the Scheme and the Scheme Consideration are fair and reasonable to Shareholders.

The final Independent Expert Report will be detailed in the Circular referred to in paragraph 10 below.

The Independent Board intends to recommend in the Circular (as defined below) that Shareholders vote in favour of the Scheme Resolution.

#### 10 **CIRCULAR AND POSTING DATE**

The Company and Apis will issue a combined offer circular to Shareholders, as contemplated in regulation 102 of the Companies Regulations, setting out the full terms and conditions of the Scheme and including the notice convening the general meeting of the Shareholders to consider and, if deemed appropriate, approve the Scheme Resolution ("**General Meeting**"), a form of proxy in respect of the General Meeting, and a form of surrender and transfer for use by certificated Shareholders ("**Circular**").

The Circular is expected to be distributed to Shareholders on or about 2 April 2020.

The salient dates pertaining to the Scheme will be released on SENS and published in the press prior to the distribution of the Circular.

#### 11 **RESPONSIBILITY STATEMENTS**

The Independent Board, collectively and individually, accepts responsibility for the information contained in this Firm Intention Announcement to the extent that it relates to Efficient. To the best of its knowledge and belief, the information contained in this Firm Intention Announcement pertaining to Efficient is true and nothing has been omitted that is likely to affect the import of the information.

The Apis Board, collectively and individually, accepts responsibility for the information contained in this Firm Intention Announcement to the extent that it relates to Apis. To the best of its knowledge and belief, the information contained in this Firm Intention Announcement pertaining to Apis is true and nothing has been omitted that is likely to affect the import of the information.

#### 12 **WITHDRAWAL OF CAUTIONARY**

Following the release of this Firm Intention Announcement, Shareholders are advised that caution is no longer required when dealing in the Company's securities.

Johannesburg  
11 March 2020

**Sponsor to Efficient**  
Merchantec Capital

**Corporate Adviser to Efficient**  
Bravura Capital

**Legal Advisor to Efficient**  
Adams & Adams

**Independent Expert**  
Nodus Capital TS Proprietary Limited

**Legal Adviser to Apis**  
Cliffe Dekker Hofmeyr Inc.