

enX Group Limited

- Moulding enX into a Focused Industrial Titan
- Creating an Exciting Future for Extract

April 2017



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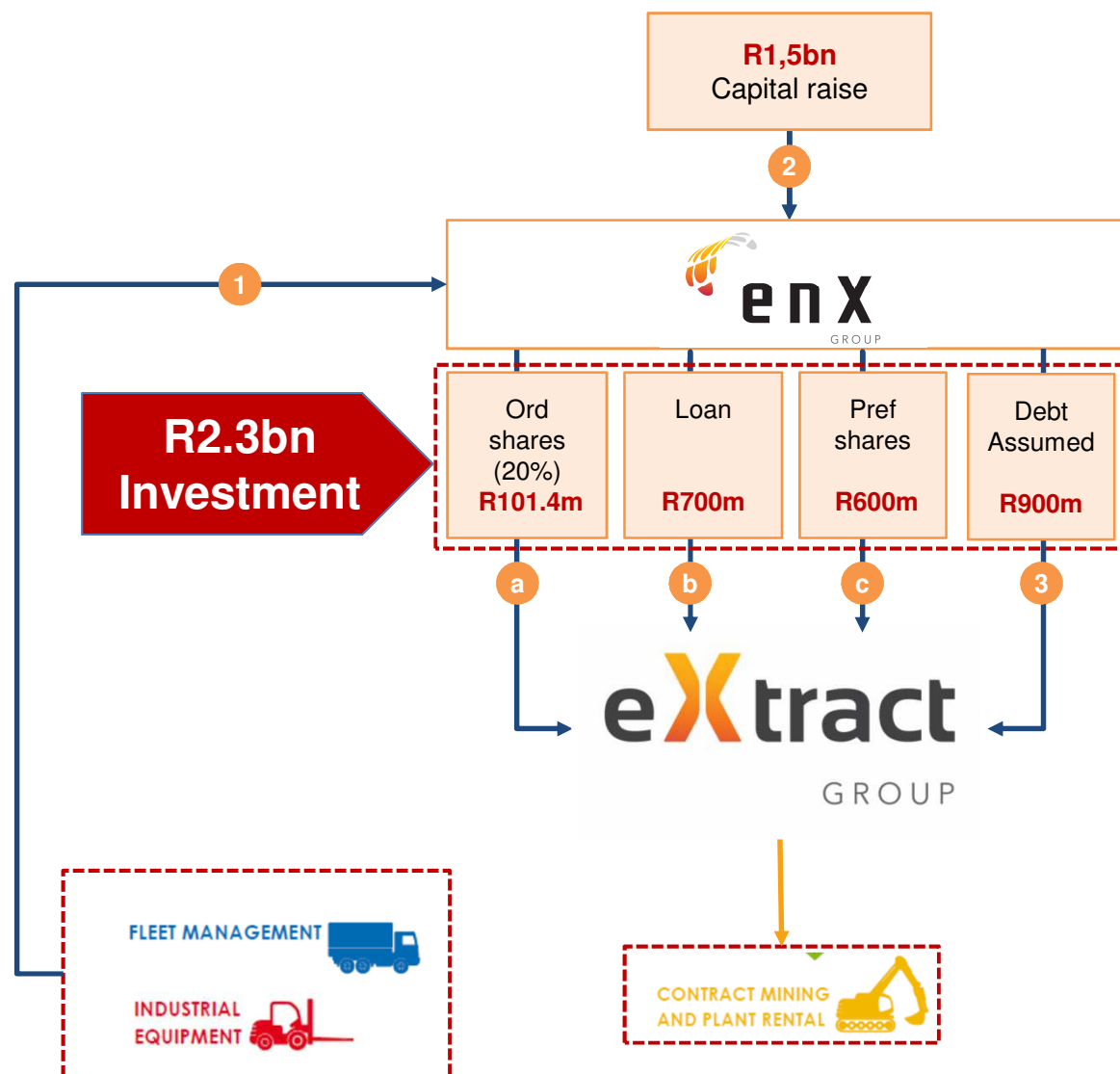
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Recap: enX's R2,3bn Investment into eXtract

November 2016:

1. enX acquires Industrial Equipment (IE) and Fleet Management and Leasing (FML) in exchange for **52.7m⁽¹⁾** enX shares. enX shares unbundled by Eqstra
2. enX raises **R1,5bn⁽²⁾** in fresh equity. enX injects **R1,4bn** into eXtract as follows:
 - (a) **R101.4m** for ordinary shares in eXtract (20%)
 - (b) **R700m** subordinated loan
 - (c) **R600m** preference shares

Capital used to repay senior lenders
3. enX assumes **~R900m** of eXtract senior debt. Becomes part of **R1,6bn** subordinated loan due to enX



1. Excluding treasury shares
 2. The balance of R100m held as cash to settle transaction costs and debt

Our Original Investment Thesis

- **Why did we invest in eXtract?**
 - Holistic plan required by EQS boardnot willing to dispose of IE and FML businesses unless solution presented for Contract Mining
- **Why was the majority of the eXtract investment structured as a loan?**
 - Did not want to consolidate Contract Mining
 - Surplus assets available for sale. Proceeds would be utilised to repay enX loans
 - Remaining business would generate sufficient profits and cash to sustain operations and service declining debt
- **Did we expect the full investment to be repaid?**
 - No
 - Part repayment in cash. Equity value grows as company de-gears

Assets Held for Sale (R'million)	30 June 2016
Contract Mining - SA	135
Contract Mining - Benga	511
Plant Rental	163
Total	809
Less: Tax Liabilities	(74)
Net	735

Repay enX Loans

Funding Source (R'million)	Utilised
SA Term Funding	465
SA GBF (R200m facility)	-
Offshore Funding (Botswana)	155
Day 1 Debt Balances	620
Subordinated Loans due to enX	1 600
Preference Shares due to enX	600
Total Debt	2 820

What has changed?

The following key events materialised and observations made since the transaction closed:

Event / Observation	Notes
Client developments	<p>Boteti: During December 2016, a dispute at a major contract in Botswana resulted in the customer withholding payment. EXG's Botswana company was then placed in liquidation early in January 2017. This negatively impacted cash flows and overhead recovery in SA. Required assets from SA to settle secured exposure to banks</p> <p>PPM: Despite new profit sharing model, contract still suboptimal. Mutual cancellation of contract. Assets to be sold and employees retrenched.</p> <p>Tharisa: Notified the company of its intention to pursue an owner-operator model</p>
Summer Rains	<p>A season of heavy summer rains (Dec-Feb) hampered mining production on Tharisa and PPM, which resulted in lost revenues</p>
Backlog Capex	<p>The current and future capital expenditure required to maintain the fleet on key contracts exceeded the cash being generated from those contracts resulting in net cash outflows</p>
Excessive Overhead	<p>Following the Boteti, PMM and Tharisa developments, the levels of business make it financially impractical to support the engineering and group support infrastructure that had been built to manage a larger client base</p>
No "Big Brother"	<p>The separation of the IE and FML businesses and stand-alone listing of EXG highlighted the extent of the dependency on cash flows generated from the IE and FML businesses and that on a stand-alone status quo basis it could not fund itself</p>
Poor Outlook for Contract Miners	<p>Despite the recent improvement in commodity prices, the long term outlook for the contract mining sector remains poor. The new board do not believe that the pricing power of contractors will improve sufficiently in the medium term to provide an acceptable return on invested capital</p>

Creating an Exciting Future for eXtract

Addressing Current Operations

- Transitioning certain counterparties to an **owner/operator model**
- **Termination** of non-profitable contracts
- **Disposal** of excess assets
- Significant reduction in EXG's overhead costs, including a **reduction in headcount**
- **Significant impairment** of assets to reflect realisable value
- **Restructuring bank debt** to allow time for repositioning



Creating an Exciting Future

- Introduction of new **executive leadership**
- Repay all debt via asset sales
- Introduction of significant **black owned** and controlled **investment company** to partner on funding

Moulding enX into a Focused Industrial Titan

enX's Contribution	<ul style="list-style-type: none"> ✓ Conversion and Unbundling of enX's investment into EXG
Benefits to enX Shareholders	<ul style="list-style-type: none"> ✓ Moulds enX into a pure play industrial company with high quality industrial assets ✓ Unlocks value in enX by removing uncertainty for investors created by investment in EXG ✓ Improve enX's return on equity ✓ Simplifies the analysis of enX's performance ✓ Enables easier future access to debt and equity capital markets ✓ Improves enX's ability to use its shares as acquisition currency ✓ Focuses management time and attention on industrial growth opportunities
Benefits to eXtract Shareholders	<ul style="list-style-type: none"> ✓ See-through value to heavily impaired EXG NAV ✓ Equity upside in exciting future for EXG ✓ New credible and experienced EXG leadership to deliver plan of transitioning to mining investment fund ✓ Liquidity option

Experienced, Mining-Focused Board



Bernard Swanepoel (55)
BCom (Hons), BSc (Min Eng)

Siphon Nkosi (63)
BCom (Hons)(Econ), MBA(Boston University)

Octavia Matloa (40)
BCom (Hons), CTA, CA(SA)

Clinton Halsey (40)
CA(SA), BAcc, Bcom

Executive Chairman

Independent Non Executive

Independent Non Executive

Interim CEO and CIO

- Former CEO of Harmony Gold
- Former CEO and Chairman Village Main Reef Limited
- Chairman and Managing Partner of MMC
- Partner at To-the-Point Growth Specialists
- Chairman of the Junior Indaba and Joburg Indaba

- Former CEO at Exxaro Resources
- Former President of Chamber of Mines of SA
- CEO and Founder Eyesizwe Coal (Pty) Ltd
- independent non-executive director Sanlam Ltd

- Completed articles at PWC.
- Group CEO of Mukundi Mining Resources and trustee Funanani Trust
- Served/s on number of audit committees in the public sector
- Served on the boards of Village Main Reef and Petra Diamonds

- Completed articles at PWC
- Over 15 years' experience in mining and related industries
- Held senior financial roles at DRDGold and Harmony Gold and was the CFO of Village Main Reef Limited
- Partner at To-The-Point Growth Specialists
- Serves as a non-executive director and Audit Committee Chairman on the board of MMC

ENX

1-87
FY2017 HEPS



EXG

5-75
NAV PS

What Value do enX Shareholders Receive from Conversion?

enX shareholders receive R5,75 of impaired NAV in EXG for every enX share held

Conversion of enX debt into equity

Mezzanine 1	695
Mezzanine 2	832
Preference Shares	600
Total debt	2 127
Debt to remain in MCC	(22)
Debt to be converted into shares	2 105

Termination payment expected in Q4 2017 or Q1 2018

Subscription price per EXG share (cents)	40
EXG shares issued to enX (millions)	5 213
% of EXG owned by enX after conversion	93%¹

Conversion price of 40.38 cps. 40% premium to 60 day VWAP

Value of enX ownership in EXG

EXG NAV as at 31 December 2016 (pre conversion)	(991)
Debt converted into shares	2 105
EXG NAV post conversion	1 114
Value of enX ownership in EXG	1 035
Number of enX shares in issue (millions)	180
EXG NAV per enX share (cents)	575

93% of NAV

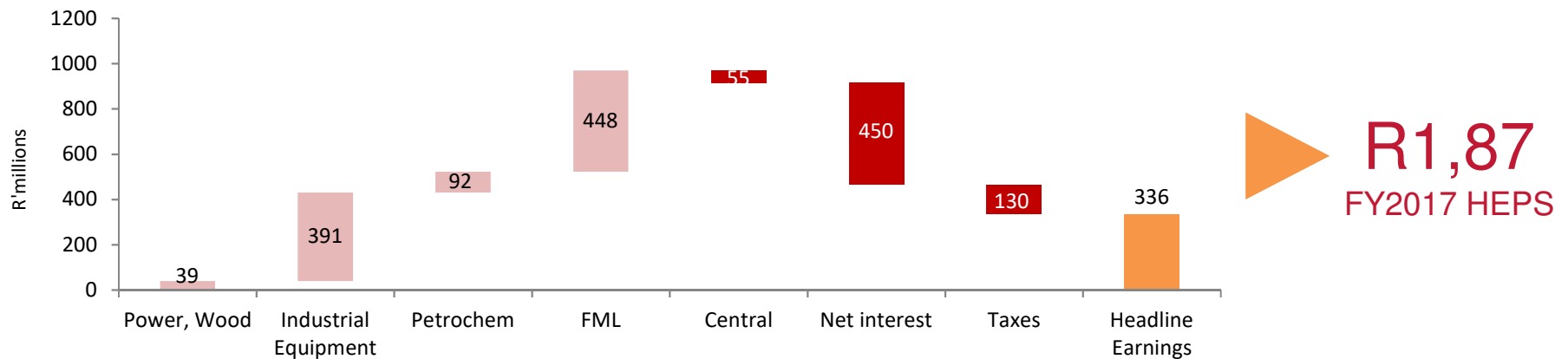
1. includes 105,9m EXG shares held by enX before conversion

enX Industrial Businesses on a Stand-Alone Basis → Key Valuation Metrics

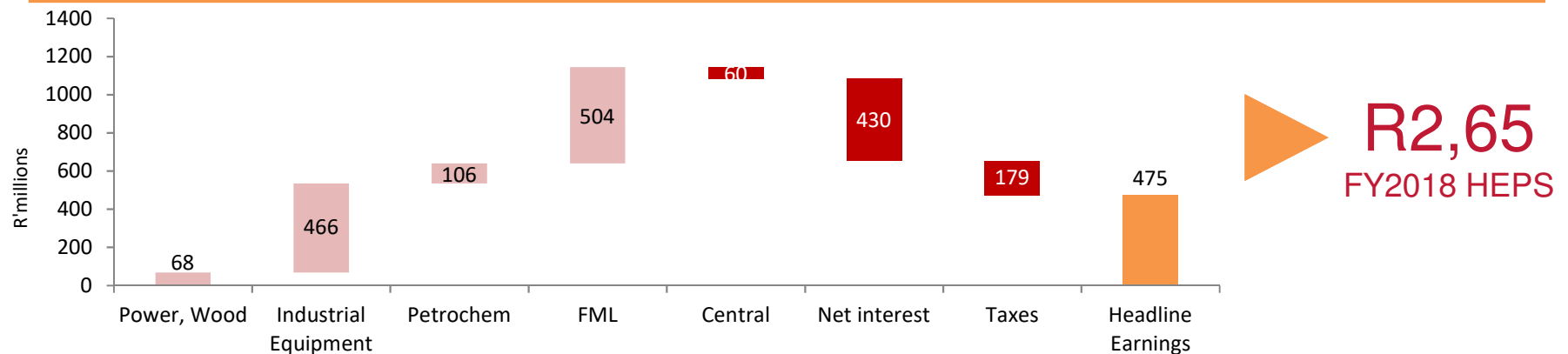


- enX **Trading Update** for interim period to be released on **18 April 2017**
- **Adjusted HEPS¹** to be between **91,5** and **100,1** cents per share (2016: **43,6⁽²⁾**)

Pro-Forma FY2017 Full Year Earning Contribution Excluding Income from Investments in Mining^{3,4}



Pro-Forma FY2018 Full Year Earning Contribution Excluding Income from Investments in Mining³



1. Adjusted for transaction costs, amortisation of intangibles, equity accounted losses in eXtract, IFRS2 charges. Includes full interest on EXG loans for ~ 4 months
2. After adjusting for the share consolidation
3. Source of Earnings Contributions: Eqstra Capital Raise Presentation - "Building the JSE's Next Industrial Titan" - October 2016. Available at www.enxgroup.co.za
4. Earnings Contribution based on Run-Rate Contribution from Eqstra IE and FML to 31 August 2017

- Current enX **debt levels are marginally lower** than previously reported
 - Debt paid down and note redemption through operating cash generation and capital repayments from EXG
 - ZAR strength iro GBP borrowings
- Proposed conversion and unbundling **does not impact** planned debt capital market activity to refinance existing borrowings
- Industrial businesses present a good quality credit story through a strong asset underpin, many blue chip counter parties and predictable cash flows
- enX businesses **able to service debt**
- **R544m liquidity facility in place** to address upcoming note maturities

Proposed Timelines

18 Apr 2017	Detailed Cautionary and Trading Update
15 May 2017	Interim Results Announcement
16 May 2017	Pro Forma impact of Transaction (vs Interim Results) – Cautionary Withdrawn
16 – 19 May 2017	Results Roadshow
On or About 30 Jun 2017	Circular Posted
On or About 31 Jul 2017	enX Shareholder meeting to approve transaction
End Aug – End Sept 2017	Unbundling takes place

Shareholder Approvals/Support Required		
Conversion of eXtract Debt to Equity	Category 1 Transaction	Ordinary resolution -> 50% approval
Unbundling of shares to enX shareholders	Category 1 Transaction	Ordinary resolution -> 50% approval

In Summary

- Status quo EXG business not sustainable....poor outlook for contract mining
- Exciting new future being created for EXG....new EXG leadership to drive execution of repositioning plan
- Conversion to equity and unbundling of enX investments in EXG enables repositioning of EXG
- Transaction unlocks value for enX shareholders, moulding enX into a focused industrial titan and removing uncertainty relating to EXG investments
 - **R1-87⁽¹⁾** HEPS for enX standalone industrial businesses in FY2017 (excluding mining earnings from FY2017 profit forecast)
- enX shareholders receive **R5-75⁽²⁾** per enX share see through impaired NAV for EXG + exciting future as a mining fund
 - Liquidity option by holding EXG directly
- No change in enX planned debt capital market activity. Industrial businesses present a strong credit story

1. Mining earnings excluded from transaction circular profit forecast
2. Based on EXG 31 December 2016 net asset value

