



Announcement:

Motsepe's African Rainbow Capital acquires strategic stake in aspirant stock exchange A2X Markets.

Aspirant new stock exchange, A2X Markets, announced today that broad based BEE investment company African Rainbow Capital (ARC), founded by Patrice Motsepe and jointly run by former CEO of Sanlam, Johan van Zyl and former CEO of Sanlam Investments, Johan van der Merwe, have taken an initial 20% stake in the company. The transaction terms allow ARC to increase this equity stake to 25% following the company securing its exchange licence.

A2X is a start-up, founded by individuals with extensive, proven experience in financial markets and technology, which has applied for a Stock Exchange Licence and is looking to compete directly with the JSE.

In line with trends seen internationally, A2X aims to bring the market choice. It will do this by providing a secondary listings platform to many of SA's top companies. Using the latest trading, surveillance and clearing technology, supplied by UK based Aquis Technologies, a division of Aquis Exchange, and applying modern and innovative business practices, it will offer an alternative exchange to execute equities in a fast, fair and efficient manner at a reduced cost.

ARC is a fully black owned and controlled investment company focusing on the South African and African financial services industry and businesses. ARC has over the past year made several investments in the finance industry, including Alexander Forbes, Colourfield Liability Solutions and Sinayo Securities.

ARC founder, Patrice Motsepe, says "We see tremendous potential in this opportunity and we are proud to be able to bring broad-based black controlled capital to an initiative that will fundamentally bring effective competition in an industry traditionally dominated by one player. Ultimately, competition drives market efficiencies and this benefits all users, including individual investors and pensioners".

A2X CEO, Kevin Brady, says "the local market is crying out for competition and the benefits it brings, and the fact that ARC, founded and led by individuals with proven track records, has taken a strategic stake in A2X is a massive vote of confidence in what we are trying to do."



“With ARC’s industry relationships, this investment will help unlock significant opportunities for A2X” says Co-CEO Johan van der Merwe “and we are excited to play a role in building an alternative stock exchange in South Africa with strong BEE credentials.”

“This deal provides the basis for a long-standing mutually beneficial relationship”, comments A2X chairman Ashley Mendelowitz. Mendelowitz, a financial markets technology veteran, who co-founded A2X with Brady and Peregrine Holdings founder Sean Melnick, adds “ARC shares our entrepreneurial spirit, values and a culture of openness and transparency”.

A2X is in the advanced stages of its licence application and aims to be operational by the end of 2017. Further details on A2X can be found at www.a2x.co.za

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