

SASFIN HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 1987/002097/06)

JSE share code: SFN ISIN: ZAE000006565

Preference share code: SFNP ISIN: ZAE000060273

(“**Sasfin**” or “the **Company**”)

UPDATE ANNOUNCEMENT BY SASFIN OF AN INCREASED SCHEME CONSIDERATION IN RESPECT OF A REPURCHASE OFFER TO SASFIN PREFERENCE SHAREHOLDERS TO ACQUIRE THEIR PREFERENCE SHARES, TO BE IMPLEMENTED BY WAY OF A SCHEME OF ARRANGEMENT OR A STANDBY GENERAL OFFER

1. INTRODUCTION

- 1.1. Sasfin shareholders (“**Shareholders**”) are referred to the firm intention announcement published on the Stock Exchange News Service of the JSE Limited (“**SENS**”) on 18 March 2021 (“**Firm Intention Announcement**”).
- 1.2. In the terms of the Firm Intention Announcement, Shareholders were advised that the board of directors of Sasfin (“**Board**”) had resolved to propose a repurchase (“**Proposed Repurchase**”) of all or some of the non-redeemable, non-cumulative, non-participating, variable rate preference shares in the issued share capital of Sasfin (“**Preference Shares**”) by way of two separate but concurrent offers comprising:
 - 1.2.1. an offer to all of the holders of Preference Shares (“**Eligible Shareholders**”) to acquire all of their Preference Shares (“**Scheme Shares**”) for a cash consideration of R71.00 per Scheme Share (“**Scheme Consideration**”), in accordance with the provisions of sections 114(1)(c) and (e) and section 115(2)(a) of the Companies Act, No. 71 of 2008, as amended (“**Companies Act**”), by way of a scheme of arrangement (“**Scheme**”) which, if successfully implemented, will result in all Preference Shares being repurchased, cancelled and removed from the issued Preference Shares of Sasfin and subsequently delisted from the securities exchange operated by the JSE Limited (“**JSE**”); and
 - 1.2.2. separate to the Scheme, but concurrently with it, a general offer (“**Standby Offer**”) by Sasfin to Eligible Shareholders, to acquire all (or a portion) of the Preference Shares (“**Standby Offer Shares**”) for a cash consideration of R68.00 per Standby Offer Share (“**Standby Offer Consideration**”), in accordance with the provisions of sections 48(8)(b), 114 and 115 of the Companies Act, which Standby Offer may be accepted or rejected by Eligible Shareholders (in whole or in part) and which will be implemented only if the

Scheme fails and, if successfully implemented, will result in only those Preference Shares which have been voluntarily tendered being repurchased, cancelled and removed from the issued Preference Shares of Sasfin, and the subsequent delisting of those Preference Shares from the securities exchange operated by the JSE.

1.3. As noted in the Firm Intention Announcement:

1.3.1. the Scheme and the Standby Offer are each subject to the fulfilment or waiver (as the case may be) of certain suspensive conditions, including all necessary Shareholder approvals and/or resolutions as may be necessary to give effect to the Scheme and the Standby Offer respectively; and

1.3.1. in the event that the Scheme becomes unconditional and operative, Eligible Shareholders, excluding those Eligible Shareholders who validly exercise their appraisal rights in accordance with section 164 of the Companies Act as a consequence of the approval of the Scheme and whose rights have not been reinstated as envisaged in sections 164(9) and 164(10) of the Companies Act, or who have not been ordered by any South African court of competent jurisdiction to withdraw their demands in terms of section 164(15)(c)(v)(aa) of the Companies Act ("**Scheme Participants**"), will be deemed to have disposed of all of their Scheme Shares at the Scheme Consideration, such that Sasfin will acquire all of the Scheme Shares previously held by the Scheme Participants, whereafter the listing of all the Scheme Shares on the JSE will be terminated.

2. **INCREASED SCHEME CONSIDERATION**

2.1. Subsequent to the posting of the Firm Intention Announcement, the Board is pleased to announce that it has resolved to increase the Scheme Consideration payable to all Scheme Participants for their Scheme Shares from R71.00 to R75.00 per Scheme Share held by such Scheme Participant ("**Increased Scheme Consideration**").

2.2. The Increased Scheme Consideration represents:

2.2.1. a 41.94% premium to the 60-day volume weighted average price of the Preference Shares of R52.84 per Preference Share, as at 30 September 2020, being the date of the first cautionary announcement in respect of the Proposed Repurchase; and

2.2.2. a 40.53% premium to the 30-day volume weighted average price of the Preference Shares of R53.37 per Preference Share, as at 30 September 2020.

3. SOLVENCY AND LIQUIDITY

- 3.1. As noted in the Firm Intention Announcement, the Board had performed the solvency and liquidity test contemplated in section 4 of the Companies Act and paragraph 5.69(c) of the Listings Requirements in respect of the Proposed Repurchase with reference to the Scheme Consideration and Standby Offer Consideration.
- 3.2. The Board has considered the Increased Scheme Consideration and reasonably concluded: (i) that Sasfin will satisfy the solvency and liquidity test contemplated in section 4 of the Companies Act immediately after implementing the Proposed Repurchase, either by way of the Scheme or the Standby Offer; and (ii) for purposes of paragraph 5.69(c) of the Listings Requirements, that after considering the effect of the Proposed Repurchase on Sasfin and its subsidiaries ("**Sasfin Group**"), the provisions of sections 4 and 48 of the Companies Act have been complied with and that:
- 3.2.1. the Sasfin Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of approval of the Circular to be distributed to Shareholders as referred to in paragraph 7 below;
- 3.2.2. the assets of the Sasfin Group will exceed the liabilities of the Sasfin Group for a period of 12 months after the date of approval of the Circular to be distributed to Shareholders as referred to in paragraph 7 below;
- 3.2.3. the share capital and reserves of the Sasfin Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the Circular to be distributed to Shareholders as referred to in paragraph 7 below; and
- 3.2.4. the working capital of the Sasfin Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the Circular to be distributed to Shareholders as referred to in paragraph 7 below.
- 3.3. The financial effect of the Proposed Repurchase on Sasfin (if the Scheme Participants receive the Increased Scheme Consideration) is a maximum cash outflow of approximately R134.79 million and a debit against Preference Share capital. The estimated once-off transaction costs in respect of the Proposed Repurchase will be more fully set out in the Circular to be distributed to Shareholders as referred to in paragraph 7 below.

4. INDEPENDENT BOARD AND VIEWS OF THE INDEPENDENT BOARD

- 4.1. As noted in the Firm Intention Announcement, Sasfin had constituted an independent board of directors of the Company ("**Independent Board**") for purposes of the Proposed Repurchase, including for the purposes of evaluating the terms and conditions of the Scheme

and the Standby Offer and advising Shareholders thereon, as required by the Companies Regulations, 2011, promulgated under the Companies Act (which includes the “**Takeover Regulations**” issued pursuant to sections 120 and 223 of the Companies Act) (“**Companies Regulations**”). The Independent Board comprises Messrs. RWR Buchholz, GC Dunnington, GP de Kock, and MR Thompson.

- 4.2. The views of the Independent Board, taking into account the report of the Independent Expert (as envisaged in paragraph 5.1 below), will be more fully set out in the Circular to be distributed to Shareholders as referred to in paragraph 7 below.

5. **INDEPENDENT EXPERT AND FAIR AND REASONABLE OPINION**

- 5.1. BDO Corporate Finance Proprietary Limited, as the independent expert appointed by the Independent Board in terms of section 114(2) of the Companies Act and regulation 90 of the Companies Regulations (“**Independent Expert**”) to provide the Independent Board with external advice in relation to the Scheme and the Standby Offer, in the form of a fair and reasonable opinion as required by and in compliance with the Takeover Regulations (“**Independent Expert’s Report**”), will consider, amongst others, the Increased Scheme Consideration.
- 5.2. The full substance of the Independent Expert’s Report in connection with the Scheme and the Standby Offer, once procured, will be more fully set out in the Circular to be distributed to Shareholders as referred to in paragraph 7 below.

6. **CONFIRMATION OF CASH SET ASIDE**

- 6.1. Sasfin had procured the delivery to the Takeover Regulation Panel established in terms of section 196 of the Companies Act (“**TRP**”) of a written confirmation of cash set aside in respect of the total Scheme Consideration (“**Existing Confirmation of Cash Set Aside**”). In compliance with regulation 111(4) and 111(5) of the Takeover Regulations, Sasfin has delivered to the TRP a new written confirmation of cash set aside for the total Increased Scheme Consideration, being the maximum possible consideration in respect of the Proposed Repurchase (“**Revised Confirmation of Cash Set Aside**”).
- 6.2. The Revised Confirmation of Cash Set Aside provides adequate security for the Company’s payment obligations under the Proposed Repurchase, whether implemented through the Scheme or the Standby Offer, and shall replace the Existing Confirmation of Cash Set Aside.

7. **POSTING OF THE CIRCULAR AND NOTICE OF THE ELIGIBLE SHAREHOLDERS GENERAL MEETING AND THE COMBINED GENERAL MEETING**

- 7.1. As noted in the Firm Intention Announcement, a circular (“**Circular**”) providing full details of the Scheme and the Standby Offer, and containing a notice of the general meeting of Eligible

Shareholders (“**Eligible Shareholders General Meeting**”) and the general meeting of all Shareholders (“**Combined General Meeting**”), the Independent Expert’s Report, the recommendations of the Independent Board, the salient dates and times relating to the Scheme and the Standby Offer and the necessary forms in order to effect the Scheme and the Standby Offer, was expected to be distributed to Shareholders on or about Wednesday, 14 April 2021.

- 7.2. Sasfin has been granted an extension to the period within which to post the Circular in terms of regulation 102(2)(b) of the Companies Regulations, and the Circular is expected to be distributed to Shareholders on or about Wednesday, 5 May 2021, subject to the approval of the JSE and TRP.
- 7.3. The Eligible Shareholders General Meeting is expected to be held on or about Wednesday, 2 June 2021 (or any other adjourned or postponed date and time, as applicable) at Sasfin’s registered office, 29 Scott Street, Waverley, Johannesburg, South Africa, 2090. The Combined General Meeting is expected to be held on or about Wednesday, 2 June 2021 (or any other adjourned or postponed date and time, as applicable) at the abovementioned address.
- 7.4. The Eligible Shareholders General Meeting and the Combined General Meeting will be conducted entirely through electronic communication. The electronic meeting facilities will permit all Shareholders to be able to communicate with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to Shareholders to vote their shares at these meetings.
- 7.5. A further announcement setting out details of the salient dates and times will be published on SENS in due course.

8. **RETENTION**

Save to the extent specifically or by necessary implication modified in or inconsistent with the provisions of this announcement, all of the remaining terms and conditions of the Proposed Repurchase as set out in the Firm Intention Announcement, shall remain unchanged and shall continue in full force and effect *mutatis mutandis*.

9. **RESPONSIBILITY STATEMENTS**

The Independent Board and the Board, individually and collectively, accept full responsibility for the accuracy of the information contained in this announcement which relates to Sasfin, the Scheme and the Standby Offer, and certify that, to the best of their knowledge and belief, such information is true, and that this announcement does not omit any facts that would make any of the information false or misleading or would be likely to affect the importance of any information contained in this announcement. The Independent Board and the Board have made all reasonable enquiries to

ascertain that no facts have been omitted and that this announcement contains all information required by law, the Companies Act and the Listings Requirements.

Johannesburg

26 April 2021

CORPORATE ADVISOR AND SPONSOR

Sasfin Capital Proprietary Limited

INDEPENDENT SPONSOR

Deloitte & Touche Sponsor Services Proprietary Limited

LEGAL ADVISOR

Edward Nathan Sonnenbergs Incorporated

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