

Old Mutual Limited
Incorporated in the Republic of South Africa
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LEI: 213800MON84ZWPPQCN47
JSE Share Code: OMU
LSE Share Code: OMUMSE Share Code: OMU
NSX Share Code: OMM
ZSE Share Code: OMU
("Old Mutual" or "OM" or "the Company")

Ref 02/22

15 March 2022

Short-form announcement: Reviewed annual results for the year ended 31 December 2021 and Final dividend declaration

A MESSAGE FROM OUR CEO

OVERVIEW

2021 was a significant year for the Group, with a strong recovery from the impact that COVID-19 had on our operational and financial performance. Whilst the operating environment was challenging in most of our markets, the easing of lockdown restrictions compared to 2020 supported considerable growth in our productivity levels.

Our employees were central to delivering on our strategic goals and helping us get closer to our vision of becoming our customers' first choice to sustain, grow and protect their prosperity. They continue to bring to life our Truly Mutual strategy which seeks to create sustainable long-term value for all our stakeholders.

We continued to actively manage our balance sheet through various strategic asset allocation and capital optimisation initiatives. We remained committed to returning capital to our shareholders, with R13.3 billion returned through dividends and the unbundling of 12.2% of Nedbank in November 2021.

OPERATING CONTEXT

In 2021, global economic growth rebounded after the decline in 2020, supported by the roll-out of vaccines and the relaxation or removal of COVID-19 related restrictions, resulting in increased demand and economic activity. Economic growth in emerging markets and developing economies was boosted by increases in commodity prices and demand. However, overall growth was constrained by the continued outbreak of new COVID-19 variants, slower vaccination rates in various developing countries and continuing consequent restrictions in mobility and activity imposed by the governments.

In South Africa, our biggest market, high infection rates from the second and third wave of COVID-19 continued to impact our business and our employees. The Group has seen an increase in the number of death claims, resulting in poor mortality experience, which negatively impacted our results. Since the beginning of the pandemic, we have mourned the passing of 57 colleagues across the Group and we extend our deepest condolences to their families, and to all those who have suffered due to COVID-19.

The South African economy grew by 4.9% in 2021, a strong rebound from the low base in 2020. Much of this growth was despite the impact of the July civil unrests, electricity supply constraints and continued pressure from COVID-19 lockdown restrictions. Average consumer inflation for 2021 was 4.5%, higher than the 3.3% recorded for 2020. High fuel prices driven by rising global oil prices, and rising food prices were the primary drivers of the increase in inflation levels. In November 2021, the Monetary Policy Committee (MPC) increased the repo rate by 25 basis points to 3.75% amid increasing concerns about inflation risks. The unemployment rate increased to 34.9% in the third quarter. These challenges continue to exacerbate the financial pressure experienced by our retail customers, putting pressure on persistency levels, and further impact our corporate customers' growth and liquidity levels.

The South African equities market improved with the JSE SWIX up 17% at the end of the year, positively impacting our average assets base.

In our Rest of Africa markets, there was a gradual return to normal economic activity, which helped sustain economic growth across the countries. The growth across these markets, specifically Southern Africa markets, was partially impacted by the

third wave of COVID-19, which resulted in an increase in infection rates across the countries. Namibia was impacted much more than the other countries, with a significant increase in both infections and deaths, resulting in a worse mortality experience over the period.

Climate change remains a systemic risk that poses a threat to countries where we operate and existing ways of working, whilst providing us with an opportunity to accelerate change into more sustainable activities and operations.

SUMMARY OF GROUP RESULTS

I am proud and very pleased with the resilience and the agility we demonstrated as we responded to the challenging operating environment and opportunities encountered by our businesses, resulting in a strong recovery in sales and earnings.

Gross flows increased by 4% to R194.8 billion due to strong inflows in Old Mutual Investments and Wealth Management. Life APE sales increased by 16% to R11.4 billion, due to a strong recovery in sales following improved productivity levels. Despite improved inflows, net client cash flows declined to R0.1 billion from R9.6 billion recognised in 2020, mainly as a result of COVID-19 related mortality claims from the Life businesses and lower inflows compared to the prior year in Rest of Africa.

In South Africa, our retail segments paid approximately R13 billion in mortality claims, maintaining our commitment to supporting our customers in their time of need.

Value of new business (VNB) grew to R1.3 billion from R621 million in 2020 due to strong new business sales. VNB margin improved from 1.1% to 1.9%, recovering to just below our medium term target range of 2% and 3%.

Results from Operations (RFO) increased to R4.4 billion, despite a R4.7 billion direct COVID-19 impact recognised for the year. Adjusted Headline Earnings (AHE) increased to R5.4 billion due to the significant growth in RFO and higher shareholder investment returns. Return on Net Asset Value (RoNAV) increased by 520 bps to 9.0% as a result of the strong growth in AHE and lower average adjusted IFRS equity.

Our businesses had worse mortality claims experience than anticipated, with R6.8 billion in excess deaths claims. We released R5.3 billion from our pandemic provisions, which partially offset the impact of excess deaths on our profit. We have R2.9 billion in pandemic provisions remaining to be utilised against future COVID-19 related mortality claims. There remains uncertainty around the pace of vaccination rollouts across most of our markets, the emergence of new COVID-19 variants and the changes in expected immunity. However, we continue to closely monitor our mortality claims experience.

The Group solvency ratio decreased by 1500 basis points to 184%, mainly as a result of a higher prescribed equity risk stress factor. Despite this decrease, our Group solvency remains robust. Old Mutual Life Assurance Company (SA) issued R1.5 billion of subordinated debt, helping to optimise the Group's weighted average cost of capital.

I would like to thank all our employees for the courage, resilience and inspiring commitment they have shown over the past year. Last but not least, I would like to thank all our customers, intermediaries, investors and communities for their continued support and loyalty throughout 2021.

Iain Williamson
Chief Executive Officer of Old Mutual Limited

GROUP HIGHLIGHTS

(Rm unless otherwise stated)

	FY 2021	FY 2020	% change (FY 2021 vs FY 2020)
Gross flows	194,757	187,137	4%
Life APE sales	11,400	9,786	16%
Net Client Cash Flows (Rbn)	0.1	9.6	-99%
Funds Under Management (Rbn)	1,273.6	1,104.6	15%
VNB	1,266	621	>100%
RFO	4,384	1,663	>100%
RFO excluding direct COVID-19 impacts	9,103	7,742	18%
AHE	5,402	2,484	>100%
AHE per share (cents) (1)	118.5	54.3	>100%

RoNAV (%)	9.0%	3.8%	520 bps
Free Surplus Generated from Operations	6,149	4,7	31%
% of AHE converted to Free Surplus Generated	114%	189%	(7 500 bps)
Group Solvency ratio (%) (2,3)	184%	199%	(1 500 bps)
Final dividend per share (cents)	51	35	46%

Notes:

- (1) Weighted average number of shares (WANS) used in the calculation of the AHE per share is 4,558 million (FY 2020: 4,574 million).
- (2) FY 2020 amounts have been re-presented to account for the use of the accounting consolidation method.
- (3) These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe.

Shareholders are reminded that the impairments in respect of the carrying value of our investment in Nedbank and the goodwill related to our investment in Old Mutual Finance were recognised in the IFRS income statement in the comparative period and were not repeated. These are however, not recognised in Headline Earnings, and accordingly not recognised in AHE, as this is an explicit adjusting item in accordance with the JSE Headline Earning Circular 1/2021.

Headline Earnings is higher than AHE, as AHE excludes higher earnings related to Zimbabwe, partially offset by adjustments in respect of equity and debt instruments held in life funds as well as the impact of restructuring which were lower than FY 2020.

GROUP HIGHLIGHTS CONTINUED(1)

(Rm unless otherwise stated)	Reviewed FY 2021	Reviewed FY 2020	% change (FY 2021 vs FY 2020)
IFRS Profit/(Loss) after tax attributable to equity holders of the parent	6,662	(5,097)	>100%
Headline Earnings	7,209	5,088	42%
Basic earnings/(loss) per share (cents)	151,3	(116.3)	>100%
Headline Earnings per share (cents)	163.8	116.1	41%

Note:

- (1) These metrics include the results of Zimbabwe. All other key performance indicators exclude Zimbabwe.

OUTLOOK

Global growth is expected to continue in 2022, albeit at a lower rate than 2021, reflecting the uncertainty around further COVID-19 variants. The International Monetary Fund (IMF) forecasts global economic growth at 4.4% for 2022.

The sub-Saharan Africa economic growth is projected at 3.8% for 2022, as low vaccination rates, COVID-19 related restrictions and other challenges continue to pose a risk. The IMF revised South Africa's growth forecast downward to 1.9% for 2022, with a weaker outlook for investment as business sentiment remains subdued. In January 2022, the MPC increased the repo rate by 25 basis points to 4.0%, and has further indicated that a gradual increase in the repo rate could be implemented to manage inflation levels.

The conflict in Ukraine-Russia has dramatically increased the level of uncertainty around the global economic growth and inflation, with a stagflation scenario now more likely. The recent oil price hikes and the risk of negative sentiment towards emerging markets are also likely to lead to an increase in inflation and lower growth in our local markets.

Despite a subdued growth outlook, we remain confident of delivering our medium-term targets. Our balance sheet remains well capitalised with strong liquidity to help us withstand the challenging operating environment. Our focus for 2022 is to continue putting our customers first, and consolidating and simplifying systems and processes that remain a barrier to building an agile business by leveraging technology and partnerships. We will continue to focus on driving shared value and sustainable growth, and tackling the most pressing challenges faced by our customers, employees and the communities in which we operate.

The recent corporate activities from our businesses position us well for the future, and will enhance our shared value and sustainable growth. In February 2022, Old Mutual Insure acquired a 51% stake in One Finance Services Holdings, unlocking new growth opportunities for the business. Old Mutual Investments sold 21.2% of its stake in Futuregrowth to African Women Chartered Accountants Investment Holdings, in line with our

commitment to drive the advancement of transformation in the asset management industry.

Our preparation for the IFRS 17 implementation date is progressing in line with plans. We finalised the opening balance sheet methodology and approaches for the Group. Our solution build and enhancements to reporting and disclosure tools are close to completion.

FINAL DIVIDEND DECLARATION

The Board of directors has approved and declared a final dividend of 51 cents per ordinary share.

The final dividend of 51 cents per share, results in a full dividend cover of 1.51 times for the 2021 year which is in line with Old Mutual Limited's dividend cover target range of 1.50 times to 2.00 times. The final dividend will be paid out of distributable reserves and is payable on 23 May 2022 to all ordinary shareholders recorded on the record date.

Shareholders on the London, Malawian, Namibian and Zimbabwean registers will be paid in the local currency equivalents of the final dividends.

Old Mutual Limited's income tax number is 9267358233. The number of ordinary shares in issue in the company's share register at the date of declaration is 4,708,553,649.

Declaration date	Tuesday, 15 March 2022
Finalisation announcement and exchange rates announced	Tuesday, 22 March 2022 by 11.00
Transfers suspended between registers	Close of business on Tuesday, 22 March 2022
Last day to trade cum dividend for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch	Tuesday, 12 April 2022
Ex-dividend date for shareholders on the South African Register and Malawi, Namibia and Zimbabwe branch registers	Wednesday, 13 April 2022
Last day to trade cum dividend for shareholders on the UK register	Wednesday, 13 April 2022
Ex-dividend date for shareholders on the UK register	Thursday, 14 April 2022
Record date (South African Register and Malawi, Namibia and Zimbabwe branch registers)	Close of business on Tuesday, 19 April 2022
Record date (UK register)	Tuesday, 19 April 2022
Transfers between registers restart	Opening of business on Wednesday, 20 April 2022
Final Dividend payment date	Monday, 23 May 2022

Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday, 13 April and Tuesday, 19 April 2022, both dates inclusive. Transfers between the registers may not take place between Tuesday, 22 March and Tuesday, 19 April 2022, both dates inclusive. Trading in shares held on the Namibian branch register through Old Mutual (Namibia) Nominees (Pty) Limited will not be permitted between Tuesday, 22 March and Tuesday, 19 April 2022, both dates inclusive.

For South African shareholders, the dividend will be subject to dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. International shareholders who are not exempt or are not subject to a reduced rate in terms of a double taxation agreement will be subject to dividend withholding tax at a rate of 20%. The net dividend payable to shareholders subject to withholding tax at a rate of 20% amounts to 41 cents per ordinary share. Distributions made through the dividend access trust or similar arrangements established in a country will not be subject to South African withholding tax but may be subject to withholding tax in the relevant country. We recommend that you consult with your tax advisor regarding the in country withholding tax consequences.

Shareholders that are tax resident in jurisdictions other than South Africa may qualify for a reduced rate under a double taxation agreement with South Africa. To apply for this reduced rate, non-SA taxpayers should complete and submit a declaration form to the respective registrars. The declaration form can be found at:
<https://www.oldmutual.com/investor-relations/dividend-information/>

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement accessible via the JSE link <https://senspdf.jse.co.za/documents/2022/jse/isse/OMUE/FY21Result.pdf>

and also available on the Company's website at <https://www.oldmutual.com/investor-relations/reporting-centre/results>. The full announcement is available for inspection at the registered office or other designated office of the issuer and the offices of the sponsor, that such inspection is available to investors and/or shareholders at no charge, the hours of such inspection and days on which such inspection is available. Copies of the full announcement may also be requested by contacting Investor Relations per details below.

The short-form announcement has itself not been reviewed, however, the financial information included herein has been extracted from the reviewed condensed consolidated financial statements which has been reviewed by the independent joint auditors, KPMG Inc. and Deloitte & Touche, who expressed an unmodified review conclusion. Any reference to future financial performance has not been reviewed by or reported on by the Group's auditors. The reviewed condensed consolidated financial statements and the independent joint auditors review report is available on the Company's website <https://www.oldmutual.com/investor-relations/reporting-centre/reports>.

A webcast of the presentation of the 2021 Final Results and Q&A will be broadcast live on 15 March 2022 at 11.00 am South African time on the Company's website www.oldmutual.com. Analysts and investors who wish to participate in the webcast can pre-register using the following link:
<https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=5862657&linkSecurityString=a84728b19>

Analysts and investors who wish to participate in the call may do so using the following link or telephone numbers below:
<https://78449.themediaframe.com/links/oldmutual220315.html>

South Africa +27 10 500 4108
UK +44 203 608 8021
Australia +61 73 911 1378
USA +1 412 317 0088
International +27 10 500 4108
Replay Access Code 40216

The replay will be available until 15 April 2022.

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Zimbabwe
Imara Capital Zimbabwe plc

Enquiries

Investor Relations
Sizwe Ndlovu
Head of Investor Relations
T: +27 (0)11 217 1163
E: tndlovu6@oldmutual.com

Communications
Vuyo Mtawa
Head: Group Communications
M: +27 68 422 8125
E: VMtawa@oldmutual.com

Notes to Editors

About Old Mutual Limited

Old Mutual is a premium African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 14 countries. Old Mutual's primary operations are in South Africa and the Rest of Africa and it has a niche business in Asia. With over 176 years of heritage across sub-Saharan Africa, Old Mutual is a crucial part of the communities they serve and the broader society on the continent.

For further information on Old Mutual and its underlying businesses, please visit the corporate website at www.oldmutual.com.