

CORONATION FUND MANAGERS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1973/009318/06)
Share code: CML
ISIN: ZAE000047353
LEI: 3789001BC9A294E6FF77
("the Company")



CAUTIONARY ANNOUNCEMENT AND UPDATE TO SHAREHOLDER REGARDING SARS LITIGATION

The purpose of this announcement is to provide shareholders of the Company ("**Shareholders**") with further information regarding tax litigation relating to the Group's international operations.

Shareholders are referred to the 2022 integrated annual report of the Company (note 6, page 137), in which Shareholders were updated on the review by the South African Revenue Service ("**SARS**") on a matter of principle relating to its international operations. SARS subsequently raised an assessment on the Company's subsidiary Coronation Investment Management SA (Pty) Ltd ("**CIMSA**"), which CIMSA took on appeal.

CIMSA's appeal to the Western Cape Tax Court ("**Tax Court**") was heard during 2021. The Tax Court ruled in CIMSA's favour on 17 September 2021 and accordingly set aside the SARS assessment.

SARS subsequently took the judgment of the Tax Court on appeal to the Supreme Court of Appeal ("**SCA**"). The appeal was heard on 17 November 2022. The SCA handed down its judgment on 7 February 2023, in which, based upon its interpretation of certain provisions of the Income Tax Act, upheld SARS' appeal and ordered CIMSA to pay additional taxes in respect of profits earned by its international operations, together with interest and costs. The SCA dismissed SARS' claim for penalties.

The Company is in the process of quantifying the exact financial impact of the ruling and will update shareholders in due course. Given the material impact on earnings and cash flows, the Company does not anticipate declaring an interim dividend.

As a responsible corporate citizen, we take tax compliance very seriously and believe we are compliant in all jurisdictions in which we operate. We are supported by experienced tax experts in determining what is appropriate in each of these jurisdictions. The Company maintains, based upon consistent professional advice, that its tax treatment has been appropriate, and is therefore naturally disappointed by this judgment. As such the Company, together with its legal counsel, is considering an appeal against the judgment to the Constitutional Court. The Company will provide a further update to Shareholders in due course.

Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities until a further announcement is made.

Cape Town
8 February 2023

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