

CLIENTÈLE LIMITED

Incorporated in the Republic of South Africa

(Registration number: 2007/023806/06)

Share code: CLI

ISIN: ZAE000117438

("Clientèle" or "the Company")



UPDATE RELATING TO THE EMERALD LIFE ACQUISITION

Shareholders are referred to the terms announcement released on the Stock Exchange News Service ("**SENS**") on 1 November 2024 and to the circular to shareholders issued on Friday, 15 November 2024 ("**Emerald Life Circular**") advising shareholders, *inter alia*, that the Company had entered into a sale of shares agreement ("**the Agreement**") with André van der Westhuizen ("**André**") and Emerald Life Proprietary Limited ("**Emerald Life**") in terms of which the Company will acquire 100% of the issued share capital of Emerald Life from André ("**Emerald Life Acquisition**") and that the Company would issue preference shares to Investec Bank Limited ("**Investec**") ("**Initial Preference Shares**") to fund the Emerald Life Acquisition. The intended issuance of the Initial Preference Shares necessitated an amendment of the Company's memorandum of incorporation ("**MOI**") for purposes of establishing the Initial Preference Shares and the Initial Preference Shares Terms, which was subsequently approved by shareholders as announced on SENS on 13 December 2024.

Shareholders are hereby advised that following engagement with the Prudential Authority, the funding structure of the Emerald Life Acquisition has been amended. To this end, the parties have concluded an addendum to the Agreement to take account of the revised funding structure. Accordingly, the Emerald Life Acquisition will no longer be funded through the issuance of the Initial Preference Shares to Investec, but will now be funded through a combination of free cash and:

- Clientèle Life Assurance Company Limited ("**Clientèle Life**") issuing preference shares to AEL Investment Holdings Proprietary Limited (a wholly owned subsidiary of Investec) for an aggregate subscription price of R570 000 000 (five hundred and seventy million Rand) ("**Clientèle Life Preference Shares**");
- the entire proceeds of the Clientèle Life Preference Shares being used by Clientèle Life to advance a loan to the Company (which loan complies with section 8FA of the Income Tax Act) for R570 000 000 (five hundred and seventy million Rand); and
- the Company guaranteeing the obligations of Clientèle Life under the Clientèle Life Preference Shares in terms of a subordinated guarantee, which guarantee may constitute the provision of financial assistance, as contemplated in section 44 of the Companies Act ("**Financial Assistance**").

Given that the Initial Preference Shares will no longer be issued by the Company to Investec, shareholders are advised that shareholder approval will be requested for a further amendment of the Company's MOI to decrease the authorised share capital by removing the Initial Preference Shares and to delete the terms of the Initial Preference Shares. In addition, shareholders will be requested, to approve the Financial Assistance and related resolutions relating to the approval of the new funding structure of the Emerald Life Acquisition.

The Company is in the process of preparing a circular to shareholders in relation to the matters set out in this announcement, which circular will be distributed to shareholders in due course.

Johannesburg

24 April 2025

Transaction sponsor

Valeo Capital (Pty) Limited

