

SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/002097/06)

Share Code: SFN ISIN Number: ZAE000006565

("Sasfin Holdings" or "the Company")

AMENDED TERMS OF DISPOSAL BY SASFIN BANK LIMITED OF ITS CAPITAL EQUIPMENT FINANCE AND COMMERCIAL PROPERTY FINANCE BUSINESSES TO AFRICAN BANK LIMITED AND DISPENSATION RECEIVED ON 60 DAY RULE TO DISPATCH CIRCULAR

1. Introduction

Sasfin Holdings shareholders ("**Shareholders**") are referred to the transaction announcement published on SENS on 13 October 2023 ("the **Terms Announcement**") wherein they were advised that Sasfin Holdings, via its wholly owned subsidiaries Sasfin Bank Limited ("**SBL**") and Sasfin Private Equity Investment Holdings Proprietary Limited ("**SPEIH**"), had concluded heads of agreement and would enter into Comprehensive Agreements with African Bank Limited ("the **Purchaser**") relating to the Disposal of its Capital Equipment Finance Business ("**CEF Business**") and Commercial Property Finance Business ("**CPF Business**"). The capitalised terms used in this announcement bear the same meaning as those defined in the Terms Announcement.

The board of directors of Sasfin Holdings is pleased to announce that the Comprehensive Agreements relating to the Disposal were concluded on 16 February 2024 and 22 February 2024 in terms of which SBL will, subject to certain suspensive conditions detailed in the Terms Announcement ("**Suspensive Conditions**"), as one indivisible transaction, dispose of its CEF Business, as a going concern, and its CPF Business, as a going concern, to the Purchaser (collectively "the **Comprehensive Agreements**").

2. Amendment of Terms in Comprehensive Agreements

During the course of the negotiations and finalisation of the Comprehensive Agreements, the Parties agreed to certain amendments to the terms of the Disposal as announced in the Terms Announcement, as detailed below.

2.1 Suspensive Conditions of the CEF Transaction and the CPF Transaction

2.1.1 The Suspensive Conditions relating to the approval by the Prudential Authority of the requisite vendor due diligence reports relating to the CEF Business and the CPF Business and the delivery thereof by SBL to the Purchaser, as well as the conclusion of the vendor due diligence verification investigation by the Purchaser, have been fulfilled, such that these are not required to be included in the Comprehensive Agreements.

2.1.2 The last date for fulfilment of the remaining Suspensive Conditions, as detailed in the Terms Announcement, which includes Shareholder approval and all requisite third party and/or regulatory consents, approvals and exemptions, has been extended to 28 June 2024.

2.2 CEF Transaction

2.2.1 The CEF Loan Book

2.2.1.1 Two contracts, with loan receivables to the net value of circa R23 million as at 30 June 2023, have been excluded from the CEF Loan Book and thus from the Disposal (“**Excluded Contracts**”).

2.2.1.2 To facilitate the structured wind down of the series 2 asset backed note programme of SBL’s funding vehicle, South African Securitisation Programme (RF) Limited (“**SASP**”), the assets included in the CEF Loan Book have been divided into two tranches, with the consideration in respect of each tranche being payable on different dates as detailed in paragraph 2.2.2 below, as follows:

2.2.1.2.1 the Phase 1 Loan Book, constituting the total CEF Loan Book with the exception of the Excluded Contracts and the Phase 2 Loan Book; and

2.2.1.2.2 the Phase 2 Loan Book, constituting the assets in the CEF Loan Book, to be acquired by SBL from SASP.

2.2.2 CEF Disposal Consideration and Payment

The consideration for the Disposal is reduced by the value of the Excluded Contracts. The consideration for the CEF Loan Book and the Goodwill is payable as follows:

2.2.2.1 on the Closing Date, the Purchaser will pay SBL an amount equal to 93% of the estimated value of the Phase 1 Loan Book as at the Closing Date. The Phase 1 Loan Book has a value of circa R1,781.7 million, as at 30 June 2023; and

2.2.2.2 upon acquisition of the Phase 2 Loan Book by SBL as contemplated in paragraph 2.2.1.2.2 above, but not later than 2 months after the Closing Date, the Purchaser will pay SBL 93% of the estimated value of the Phase 2 Loan Book as at the date of this payment (“**Phase 2 Closing Date**”). The Phase 2 Loan Book has a value of circa R733.2 million, as at 30 June 2023; and

2.2.2.3 by no later than 120 calendar days after the Closing Date, the Purchaser will pay to SBL the Goodwill of R100,000,000 and the difference, if any, between the amount which the Purchaser calculates in good faith as the actual Phase 1 Loan Book value and the 93% of the Phase 1 Loan Book value paid on the Closing Date; and

2.2.2.4 by no later than 120 calendar days after the Phase 2 Closing Date, the Purchaser will pay to SBL the difference, if any, between the amount which the Purchaser calculates in good faith as the actual Phase 2 Loan Book value and the 93% of the Phase 2 Loan Book value already paid.

2.3 CPF Transaction

2.3.1 The disposal of the CPF Loan Book specifically excludes the following assets:

2.3.1.1 any rights in respect of any participation interest agreements, where the loan relating thereto is settled in full prior to the Closing Date;

2.3.1.2 any asset where SBL or any member of the Sasfin Holdings group holds any equity interest; and

2.3.1.3 such loans as were advanced in terms of the Emergency Loan Funding-for-Lending Scheme proposed by the National Treasury pursuant to the declaration of the Covid-19 pandemic,

(collectively the “Excluded Assets”).

2.3.2 CPF Disposal Consideration and Payment

The consideration for the CPF Business will be reduced by the value of the Excluded Assets and an agreed adjustment of the loan value and participation interest in respect of three CPF Business contracts, such that the aggregate purchase price payable in terms of the Disposal will be reduced by an amount of circa R154 million.

2.3.2.2 On the Closing Date, the Purchaser will pay SBL an amount equal to 93% of the estimated value of the CPF Loan Book as at the Closing Date. The CPF Loan Book has a value of circa R617.5 million, as at 30 June 2023.

2.3.2.3 By no later than 120 calendar days after the Closing Date, the Purchaser will pay to SBL the difference, if any, between the amount which the Purchaser calculates in good faith as the actual CPF Loan Book value and the 93% of the CPF Loan Book value already paid.

2.3.3 CPF Shares and Claims

SPEIH will retain the CPF Shares and Claims which are excluded from the Disposal and consequently the aggregate purchase price payable in terms of the Disposal, as announced in the Terms Announcement, will be reduced by an amount of circa R118million (being the value of the CPF Shares and Claims).

3 Terms of Comprehensive Agreements

3.1 All terms of the Disposal, detailed in the Terms Announcement and not referred to in paragraph 2 above remain unchanged and are contained in the Comprehensive Agreements.

3.2 The Comprehensive Agreements include the following provisions as anticipated in the Terms Announcement: -

3.2.1 the Comprehensive Agreements in respect of the CEF Business and the CPF Business are inter-conditional;

3.2.2 warranties and indemnities, and such limitation of liability provisions, as are usual for agreements of this nature; and

3.2.3 that the transfer of the CEF Business and the CPF Business respectively fall within the ambit of the transfer of a business as a going concern, as contemplated in section 197 of the Labour Relations Act No 66 of 1995.

4 Updated Net Assets and Profits Attributable to SBL's Interest in the CEF Business and the CPF Business

With reference to the Comprehensive Agreements and the Company's audited annual financial statements for the year ended 30 June 2023:

- the net assets that are the subject of the CEF Transaction, being the Phase 1 Loan Book and the Phase 2 Loan Book and excluding the goodwill, as at 30 June 2023 was R2 514.9 million and the profit after tax attributable to such net assets for the year ending 30 June 2023 was R212.6 million;
- the net assets that are the subject of the CPF Transaction as at 30 June 2023 was R617.5 million and the profit after tax attributable to such net assets for the year ending 30 June 2023 was R41.7 million.

The Comprehensive Agreements contemplate that no liabilities shall form part of the Disposal. The above financial amounts therefore do not include any debt or associated interest (including intra group debt and associated intra group interest, which are excluded from the Disposal).

The above-mentioned financial information has been extracted from the Sasfin Holdings audited consolidated annual financial statements for the year ended 30 June 2023, which were prepared in accordance with IFRS, has not been reviewed or reported on by a reporting accountant in terms of Section 8 of the JSE Listings Requirements and is the responsibility of Sasfin Holdings directors.

5 Categorisation of the Disposal and Dispensation Received on 60 Day Rule to Dispatch Circular

The Disposal, on an aggregated basis, remains classified as a Category 1 Transaction in terms of the Listings Requirements of the JSE and must be approved by Shareholders in a general meeting. A circular incorporating a notice to convene the general meeting and setting out information regarding the Disposal and such financial information on the subject of the Disposal as is required by the JSE Listings Requirements, must be dispatched to Shareholders.

In this regard Shareholders are referred to the announcement released on SENS on 13 December 2023 regarding the dispensation, granted by the JSE Limited ("**JSE**"), from compliance with paragraph 9.20(b) of the JSE Listings Requirements, which stipulates that a company must dispatch a circular to its shareholders containing a notice of general meeting to obtain their approval for a transaction within 60 days of the date of announcement of such transaction. Shareholders are advised that a further such dispensation has been granted by the JSE, in terms of which the Company has received an extension for the publication of the requisite circular until 29 March 2024.

A circular, containing full details of the Disposal and incorporating a notice convening a general meeting of Shareholders will be published and distributed to Shareholders as soon as possible and the Company will announce the date of publication of the Circular on SENS in due course.

Johannesburg

23 February 2024

Corporate Advisor to Sasfin Holdings

Opio Advisors, a division of Opio Ventures Proprietary Limited

Sponsor to Sasfin Holdings

Questco Corporate Advisory Proprietary Limited

Legal Advisors

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