

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"**)

PROPOSED DELISTING OF SASFIN HOLDINGS, PURSUANT TO AN OFFER BY SASFIN WEALTH TO SASFIN HOLDINGS' ORDINARY SHAREHOLDERS, FUNDED BY SUBSCRIPTIONS FOR SHARES IN SASFIN WEALTH BY UNITAS AND WIPFIN AND CAUTIONARY ANNOUNCEMENT¹

1. INTRODUCTION AND OVERVIEW OF TRANSACTION

- 1.1. Shareholders of Sasfin Holdings (**"Shareholders"**) have previously been advised that Sasfin Holdings has embarked on a strategic repositioning of the Company and its subsidiaries (**"Group"**), aimed at unlocking value for Shareholders over the short to medium term.
- 1.2. In support of this repositioning, Sasfin Holdings and Sasfin Wealth Proprietary Limited, a wholly owned subsidiary of the Company (**"Sasfin Wealth"**), have signed a framework agreement with Wipfin Investments Proprietary Limited, a wholly owned subsidiary of Women Investment Portfolio Holdings Limited (**"Wipfin"**) and Unitas Enterprises Limited, a company owned by trusts, of which Roland Sassoon and Michael Sassoon are discretionary beneficiaries (**"Unitas"**), in terms of which these major Shareholders wish to subscribe for shares in Sasfin Wealth in order to facilitate an offer relating to the proposed delisting of the ordinary shares of Sasfin Holdings from the stock exchange operated by JSE Limited (**"JSE"**) (**"Delisting"**) as further described below.
- 1.3. Wipfin and Unitas each propose subscribing for an 8.8% shareholding in Sasfin Wealth (the **"Subscriptions for Cash"**) prior to the Management Subscription referred to below. The funds received from the proposed Subscriptions for Cash will enable Sasfin Wealth to make an offer to Shareholders at a price of R30.00 (thirty Rand) per ordinary share in Sasfin Holdings (**"Sasfin Holdings Share"**) on the further terms and conditions set out below (the **"Offer"**).
- 1.4. In addition to the proposed Subscriptions for Cash and the Delisting, it is further proposed that Sasfin Wealth management, who have successfully grown Sasfin Wealth over the last number of years, will acquire an effective 15% interest in the enlarged issued share capital of Sasfin Wealth, funded by Sasfin Wealth in whole or in part through a vendor finance scheme (the **"Management Subscription"**).

¹ Terms defined in this announcement apply to the heading.

- 1.5. The Subscriptions for Cash, the Offer and the Delisting are collectively referred to in this announcement as the proposed “**Transaction**”.
- 1.6. The Sasfin Holdings’ board of directors (the “**Board**”) believes it is appropriate that these matters, along with the requisite opinions from independent expert in terms of the listings requirements of the JSE (“**JSE Listings Requirements**”), should be put to Shareholders for consideration and, if deemed appropriate, approval.
- 1.7. The Delisting is proposed to be facilitated by way of the Offer by Sasfin Wealth to all Shareholders in accordance with paragraph 1.15(c) of the JSE Listings Requirements, thus enabling those Shareholders wishing to dispose of their Sasfin Holdings Shares prior to the Delisting to do so in accordance with the terms and conditions of the Offer.
- 1.8. In terms of paragraph 1.16 of the JSE Listings Requirements, the Delisting will require approval of Shareholders (other than the offeror, their associates and their concert parties) and a fairness opinion which confirms that the Offer price is fair. The Offer will be subject to acceptances by Shareholders holding not more than 10% of the aggregate Sasfin Holdings Shares in issue, as Sasfin Wealth is a subsidiary of Sasfin Holdings and cannot lawfully hold more than 10% of the Sasfin Holdings Shares. As a result of this condition, the Offer is considered to be an affected transaction and a partial offer as contemplated under section 125 of the Companies Act, No. 71 of 2008 (the “**Companies Act**”), and is accordingly exempt from the Companies Regulations, 2011, as amended (the “**Takeover Regulations**”) in accordance with regulation 88(1) of the Takeover Regulations. Sasfin Wealth and other subsidiaries of Sasfin Holdings currently hold 177,280 Sasfin Holdings Shares constituting 0.55% of the issued share capital of Sasfin Holdings (“**Treasury Shares**”). Sasfin Holdings intends to repurchase and cancel these Treasury Shares prior to the implementation of the Offer in order to facilitate the maximum acceptances of 10%.
- 1.9. Unitas and Wipfin, collectively holding circa 73.1% of all of the Sasfin Holdings Shares, excluding Treasury Shares, have provided irrevocable undertakings not to accept the Offer and, as a result of the Subscriptions for Cash which will fund the Offer, are regarded as acting in concert with Sasfin Wealth as the offeror.

2. **RATIONALE FOR THE TRANSACTION**

- 2.1. In pursuit of unlocking value in Sasfin Holdings over the past 18 months, various initiatives have been undertaken including:
 - 2.1.1. the disposal of its Capital Equipment Finance Business and Commercial Property Finance Business to African Bank Limited which is subject to final regulatory approvals; and

- 2.1.2. the exiting of non-core activities including Specialised Lending and Foreign Exchange.
- 2.2. In the furtherance of Sasfin Holdings' ongoing strategic repositioning, the implementation of the proposed Transaction will:
 - 2.2.1. enhance the ability to effectively execute Sasfin Holdings' strategy, which envisages further strategic action being easier to achieve in an unlisted environment;
 - 2.2.2. eliminate ongoing costs associated with being listed, especially in light of the limited free float of Sasfin Holdings Shares;
 - 2.2.3. provide those Shareholders who wish not to remain invested in an unlisted Sasfin Holdings with an opportunity to dispose of their Sasfin Holdings Shares at a meaningful premium to the prevailing market price, ahead of the Delisting; and
 - 2.2.4. support the growth of Sasfin Wealth with material commitments by Sasfin Holdings' two largest Shareholders and the management of Sasfin Wealth.

2.3. Information on Sasfin Wealth

Sasfin Wealth provides global wealth and asset management solutions to private, corporate and institutional clients. The business comprises private wealth and portfolio management, asset management, asset consulting, healthcare consulting, as well as equity and fixed income broking.

3. THE SUBSCRIPTION FOR SHARES BY UNITAS AND WIPFIN IN SASFIN WEALTH

- 3.1. Unitas and Wipfin will each subscribe for an 8.8% shareholding in Sasfin Wealth (which will, following the proposed Management Subscription, result in an effective 7.5% shareholding), for a subscription price of R53,571,429 each, payable in cash.
- 3.2. As Wipfin and Unitas are existing Shareholders, holding 25.2% and 47.9% of the Sasfin Holdings Shares, excluding the Treasury Shares, respectively, the Subscriptions for Cash are related party transactions in terms of the JSE Listings Requirements and will thus require a fairness opinion from an independent expert ("**Subscription for Cash Fairness Opinion**") and approval from Shareholders (excluding related parties and their associates) at the General Meeting referred to in paragraph 6.1 below.

4. THE SUBSCRIPTION FOR SHARES BY MANAGEMENT IN SASFIN WEALTH

- 4.1. It is proposed that management of Sasfin Wealth will acquire a 15% effective interest in the enlarged issued share capital of Sasfin Wealth, for a subscription price of R107,142,857 to be

funded by Sasfin Wealth in whole or in part by way of a vendor finance scheme, details of which have not yet been finalised, save that the vendor finance will accrue interest at the official rate published by the South African Revenue Service.

- 4.2. The Management Subscription may, at the election of Sasfin Holdings and Sasfin Wealth, be implemented on its own and is not a suspensive condition to, nor dependant on, the Subscriptions for Cash, the Offer and the Delisting.

5. THE OFFER

- 5.1. The Offer will be made at R30.00 per Sasfin Holdings Share, being the “**Offer Consideration**”. The Offer Consideration represents a premium of 66% to the 30-day volume weighted average price of Sasfin Holdings Shares of R18.07 per Sasfin Holdings Share, as at close of trade on Friday, 12 July 2024.

- 5.2. Subject to the further terms set out below and to be set out in the Offer circular and the fulfilment of the conditions set out in paragraph 6, Sasfin Wealth will make the Offer to acquire all ordinary shares from all Shareholders who or which do not wish to remain invested in Sasfin Holdings and in respect of which it receives valid acceptances during the Offer period (as contemplated below).

5.3. Offer Period

The Offer will be irrevocable and will be open for acceptance for at least 10 business days following the later of (i) the holding of a general meeting of Shareholders (“**General Meeting**”) and successful adoption of the necessary Transaction Resolutions, and (ii) the fulfilment of the suspensive conditions (“**Offer Period**”), with any acceptances being irrevocable and subject to the fulfilment of the suspensive conditions.

5.4. Maximum Acceptances Condition

The implementation of the Subscriptions for Cash and the Offer will be subject to a condition that the Offer is accepted by Shareholders holding no more than 10% of the Sasfin Holdings Shares.

5.5. Remaining Shareholders

In the event that the Delisting proceeds, Shareholders who do not accept the Offer will remain Shareholders in the unlisted Company, with the consequence that, amongst other things, the tradability of their Sasfin Holdings Shares will be limited.

5.6. Tax

The tax implications of the Offer are dependent upon the individual circumstances of the Shareholders concerned, and the tax jurisdiction applicable to such Shareholders. Shareholders should therefore take their own advice on the taxation effects of the proposed Transaction.

6. **SUSPENSIVE CONDITIONS**

The Subscriptions for Cash, the Offer and the Delisting are inter-conditional and therefore the Transaction will be subject to the following material suspensive conditions, as well as such other suspensive conditions as are normal and customary for a transaction of this nature:

- 6.1. the implementation of the Subscriptions for Cash including the obtaining of the Subscription for Cash Fairness Opinion and approval from Shareholders (excluding related parties and their associates) at the General Meeting;
- 6.2. the approval of the necessary ordinary and special resolutions (the “**Transaction Resolutions**”) proposed at the General Meeting to approve the proposed Subscriptions for Cash and the Delisting, pursuant to the Offer (“**Delisting Resolution**”) which, if approved by the Shareholders at the General Meeting, will support the application to the JSE for the Delisting, which will take place immediately following implementation of the Offer;
- 6.3. by no later than 28 February 2025 or such later date as specified by Sasfin Holdings, the receipt of all approvals, consents or waivers from those South African regulatory authorities as may be necessary for the implementation of the Transaction, which may include the JSE, the Prudential Authority and the Financial Surveillance Department of the South African Reserve Bank (“**Regulatory Approvals**”) on an unconditional basis or, if such Regulatory Approvals are granted subject to any condition or qualification, then Sasfin Holdings, Sasfin Wealth, Unitas and Wipfin must, acting reasonably, agree to such conditions or qualifications in order for this condition to be fulfilled and to the extent required, any further notifications, approvals, consents and/or waivers from any regulatory authority in addition to the Regulatory Approvals as may be legally required to give effect to the Transaction taking into account paragraph 6.6 below, having been obtained;
- 6.4. a positive fairness opinion having been issued that confirms that the Offer price is fair; and
- 6.5. the Treasury Shares being transferred from Sasfin Wealth to Sasfin Holdings and such shares having been cancelled following the transfer.
- 6.6. In considering the proposed Transaction, Unitas has expressed its intention to remain a Shareholder holding not more than 49% of the issued Sasfin Holdings Shares and/or voting rights in Sasfin Holdings so as not to change its regulatory control position in relation to Sasfin

Holdings and Sasfin Bank Limited. Unitas has indicated that, to the extent required, it may therefore dispose of (or otherwise deal with) some of the Sasfin Holdings Shares and/or voting rights which may be exercised by it in relation to Sasfin Holdings in order to ensure its shareholding, and in particular its voting rights, remain below the percentage that would otherwise trigger additional regulatory approvals. Should Unitas not sell (or otherwise appropriately deal with) such number of its Sasfin Holdings Shares and/or voting rights which may be exercised in relation to Sasfin Holdings, any notifications, approvals, consents and/or waivers as may be legally required from any regulatory authority (including without limitation from the competition and financial sector regulators) in order to give effect to the Transaction will become a further suspensive condition to the Transaction in addition to those already set out above.

7. FINANCIAL INFORMATION

As at the last reporting date, being 31 December 2023, Sasfin Wealth had a consolidated net asset value of R273,446,943. Post the half year, Sasfin Wealth declared a dividend to Sasfin Holdings of R135,000,000. For the 6 months ended 31 December 2023, Sasfin Wealth made a profit after tax of R48,021,468. The financial information of Sasfin Wealth has been extracted from unaudited management accounts, which were prepared in terms of the International Financial Reporting Standards. Accordingly, this financial information has not been reviewed or reported on by the Group's auditors.

8. ABILITY TO PROCEED WITH THE OFFER

Sasfin Wealth has confirmed to the Independent Sub-Committee (as defined in paragraph 10 below) that it will, following the Subscriptions for Cash, have sufficient funds to fully satisfy the maximum cash Offer consideration of R96,372,483, taking into account the 10% limitation on acceptance referred to above. As the Transaction falls within the exemption in regulation 88(1) of the Takeover Regulations, no cash confirmation is required for purposes of the Takeover Regulations.

9. THE PROPOSED DELISTING

If all of the suspensive conditions are fulfilled or, if applicable, waived, then application will be made to the JSE for the proposed Delisting of the Sasfin Holdings Shares from the Main Board of the JSE in terms of paragraphs 1.14 to 1.16 of the JSE Listings Requirements, resulting in the termination of the Company's listing on the JSE.

10. APPOINTMENT OF INDEPENDENT SUB-COMMITTEE OF THE BOARD AND THE INDEPENDENT EXPERT

10.1. An independent sub-committee of the Board, comprising Mark Thompson, Tapiwa Njikizana, Eileen Wilton and Tienie van der Mescht ("**Independent Sub-Committee**") has been formed

to consider the Offer, the Offer Consideration, the Subscriptions for Cash, the Management Subscription and various aspects of the Transaction.

- 10.2. The Independent Sub-Committee has appointed BDO Corporate Finance Proprietary Limited (“BDO”) as the independent expert, to provide the Independent Sub-Committee and Board with its opinion as to whether the terms of the Offer, the Subscriptions for Cash and the Management Subscription are fair to Shareholders in accordance with the JSE Listings Requirements.
- 10.3. BDO's independent expert report, as well as the Board's opinion on the Offer and Offer Consideration, will be included in the circular to be posted to Shareholders.

11. IRREVOCABLE UNDERTAKINGS

- 11.1. The following Shareholders collectively holding 23,505,836 Sasfin Holdings Shares representing 73.1% of the Sasfin Holdings Shares in issue (excluding the Treasury Shares), have provided Irrevocable Undertakings not to accept the Offer and to vote in favour of the Transaction Resolutions, insofar as they are lawfully permitted to do so, in respect of their Sasfin Holdings Shares.

Shareholder	Number of Sasfin Holdings Shares	% of issued Sasfin Holdings Shares (excluding the Treasury Shares)
Unitas	15,398,174	47.9%
Wipfin	8,107,662	25.2%
Total	23,505,836	73.1%

- 11.2. In terms of the JSE Listings Requirements, Unitas and Wipfin will be restricted from voting on the resolutions required to give effect to the Subscriptions for Cash, the Offer and the Delisting Resolution.

12. CATEGORISATION AND CIRCULAR

- 12.1. The Subscriptions for Cash are categorised as category 1 related party transactions in terms of paragraph 3.35 and Sections 9 and 10 of the JSE Listings Requirements. The Offer comprises a repurchase in terms of Section 5 of the JSE Listings Requirements and will be governed by the requirements of paragraph 5.69, requiring a specific authority from shareholders. The Delisting will be governed by paragraphs 1.14 to 1.16 of the JSE Listings Requirements.

12.2. A circular containing full details of the Transaction, a notice of General Meeting and incorporating the Board's view on the Transaction and the independent expert reports prepared by BDO (the "**Circular**") is in the process of being prepared and will be distributed to Shareholders in due course. The General Meeting is expected to be held not earlier than 15 business days after the publication of Sasfin Holdings' financial statements which are expected to be published during mid-to-late September 2024.

13. **CAUTIONARY ANNOUNCEMENT**

13.1. A further announcement setting out any further material terms of the Transaction and the Management Subscription will be made once definitive agreements for the Subscriptions for Cash have been executed and the details of the Management Subscription have been finalised.

13.2. Shareholders are therefore advised to exercise caution in dealing in their Sasfin Holdings Shares until further details of the Transaction have been announced.

14. **SALIENT DATES AND TIMES**

The salient dates and times in relation to the Transaction and the Management Subscription will be published by way of a SENS announcement in due course.

Johannesburg

15 July 2024

Corporate Advisor to Sasfin Holdings

Rothschild and Co

Legal Advisor to Sasfin Holdings

Edward Nathan Sonnenbergs Inc.

Independent Expert

BDO Corporate Finance Proprietary Limited

Transaction Sponsor and Sponsor

Questco Corporate Advisory Proprietary Limited