

SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/002097/06)

Share Code: SFN ISIN Number: ZAE000006565

Preference Share Code: SFNP ISIN Number: ZAE000060273

("Sasfin" or "the Company")

ANNOUNCEMENT REGARDING THE DISPOSAL OF INTEREST IN EFFICIENT GROUP PROPRIETARY LIMITED; and

WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Sasfin shareholders ("**Shareholders**") are referred to the cautionary announcements published on SENS on 26 May, 7 July, 19 August and 30 September 2020 and are advised that Sasfin's wholly owned subsidiary, Sasfin Wealth Proprietary Limited ("**Sasfin Wealth**"), and Summit Private Equity Proprietary Limited, in its capacity as the ultimate general partner of the Summit Private Equity Fund Partnership ("**Purchaser**") have on 5 October 2020 entered into a sale of shares agreement ("**Disposal Agreement**") in terms of which Sasfin Wealth will dispose of its 21.10% interest in the Efficient Group Proprietary Limited ("**Efficient**"), subject to certain suspensive conditions ("**Disposal**"). In terms of the Disposal Agreement the Purchaser also acquires a further 15.04% interest in Efficient from another exiting shareholder. The Purchaser has also concluded a further sale of shares agreement in terms of which it will acquire an additional 1.25% interest in Efficient from a further exiting shareholder on the same terms and conditions as are contained in the Disposal Agreement *mutatis mutandis* (the "**Further Disposal**"). Upon implementation of the Disposal and the Further Disposal, the Purchaser will hold a 37.39% interest in Efficient.

2. THE DISPOSAL

2.1 Nature of Efficient's Business

Efficient is an authorised financial services provider. The current areas of operation of Efficient and its subsidiaries (including Boutique Collective Investments RF Proprietary Limited, being a South African Collective Investments Scheme ("**CIS**") service provider that offers own-brand and co-branded CIS portfolios to wealth and asset managers) (collectively hereinafter referred to as the "**Efficient Group**"), include financial planning, estate planning and fiduciary services, employee benefit consulting, investment management, life and business assurance, short-term insurance, deal and execution services and cash management.

2.2 Rationale for the Disposal

Sasfin Wealth received an unsolicited offer for its minority interest in Efficient at a consideration above Sasfin Wealth's carrying value in respect of Efficient. Sasfin believes that the Disposal represents an opportunity to deploy capital more effectively within the Sasfin group.

2.3 Consideration for the Disposal

The consideration payable to Sasfin Wealth for the Disposal of its 21.10% interest in Efficient shall be an aggregate amount of R146,261,175.20.

2.4 Application of Disposal Consideration

The Disposal consideration will be paid in cash on the Effective Date as defined in paragraph 2.5 below and will be deployed within the Sasfin group to grow core businesses.

2.5 Suspensive Conditions and Effective Date

The Disposal is subject to the fulfilment or waiver (where applicable) of the following outstanding suspensive conditions:

2.5.1 by no later than 2 November 2020 or a later date following an extension in accordance with the terms of the Disposal Agreement:

2.5.1.1 the Takeover Regulation Panel provides written confirmation that the Disposal and the Further Disposal are exempted from the application of Parts B and C of the Companies Act, 71 of 2008, (as amended) ("**Companies Act**") and the Takeover Regulations prescribed by the Minister of Trade and Industry in terms of section 120 of the Companies Act;

2.5.1.2 the Purchaser and the remaining shareholders of Efficient (being all shareholders of Efficient, other than Sasfin Wealth and the other exiting shareholders) agree on certain required changes to the Efficient shareholders agreement and memorandum of incorporation; and

2.5.1.3 all regulatory requirements and shareholder approvals required for the implementation of the Disposal are complied with and obtained;

2.5.2 by no later than 23 November 2020 or a later date following an extension in accordance with the terms of the Disposal Agreement, the required notifications to the Financial Sector Conduct Authority of the applicable change in shareholding and ownership as a result of the Disposal and the Further Disposal and such acknowledgement of receipts and approvals as are necessary are duly obtained; and

2.5.3 by no later than 1 business day after fulfilment or waiver, as the case may be, of the last suspensive condition above, Efficient confirms in writing that no insolvency event in respect of any company within the Efficient Group or material adverse change ("**MAC**") has occurred. In terms of the Disposal Agreement MAC means any event or circumstance which is reasonably likely to have a material adverse effect, being the loss of (i) a material client or contract of any company within the Efficient Group which is likely to give rise to a reduction of 10% or more of the revenue of Efficient as set out in the FY2021 budget approved by the board of directors of Efficient on 17 July 2020; or (ii) material consent(s), permit(s), accreditation(s), certificate(s) and license(s) necessary for the conduct of the business and affairs of any company within the Efficient Group, which results, or is reasonably likely to result, in a reduction of more than 10% of the revenue of Efficient as set out in the FY2021 budget of Efficient approved by the board of directors of Efficient on 17 July 2020 or (iii) certain key employees of Efficient.

The suspensive conditions in paragraphs 2.5.1.1, 2.5.1.2 and 2.5.3 are capable of waiver by the Purchaser in its sole discretion. The suspensive conditions in paragraphs 2.5.1.3 and 2.5.2 are not capable of waiver.

The effective date of the Disposal shall be the third business day after the day on which the last of the suspensive conditions are fulfilled or waived, as the case may be ("**Effective Date**").

3. WARRANTIES

Sasfin Wealth and the Purchaser have given each other such warranties as are usual in disposal agreements of this nature. In addition, Sasfin Wealth has given the Purchaser limited warranties related to unencumbered title of its Efficient shares, such that save for these warranties the Efficient interest is sold on a "voetstoots" basis.

4. THE NET ASSETS AND PROFITS ATTRIBUTABLE TO SASFIN'S INTEREST IN EFFICIENT

The audited value of Sasfin's net assets that are the subject of the Disposal as at 30 June 2020 was R119,124,866.79 and Sasfin's audited profit after tax attributable to such net assets for the financial year ending 30 June 2020 was R8,160,219.79.

The audited figures herein have been prepared in accordance with International Financial Reporting Standards.

5. CATEGORISATION OF THE ACQUISITION

The Disposal is a Category 2 transaction in terms of the JSE Limited Listings Requirements and therefore does not require Shareholder approval.

6. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

With reference to the information disclosed in this announcement Shareholders are no longer required to exercise caution when dealing in their Sasfin securities with regard to the Disposal.

Johannesburg
5 October 2020

Lead Sponsor to Sasfin

Sasfin Capital (a division of Sasfin Bank Limited)

Independent Sponsor to Sasfin

Deloitte & Touche Sponsor Services Proprietary Limited