

VUNANI LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/020641/06)
JSE code: VUN
ISIN: ZAE000163382
("Vunani" or "the company")

SALE OF SHARES BY A SUBSIDIARY AND CAUTIONARY WITHDRAWAL

1. INTRODUCTION

The board of directors of Vunani Limited ("**the Board**") hereby informs shareholders that the Company's wholly owned subsidiaries, Vunani Capital Proprietary Limited ("**Vunani Capital**" or "**Seller**"), Fairheads Benefit Services Proprietary Limited ("**Fairheads Benefit Services**" or "**FBS**") and Fairheads Financial Services Proprietary Limited ("**Fairheads Financial Services**" or "**FFS**"), have concluded an agreement (the "**Agreement**") for the sale of 30% of the issued share capital of FBS, and 30% of FFS (collectively the "**Sale Shares**"), with Old Mutual Corporate Ventures Proprietary Limited ("**Old Mutual**" or "**Purchaser**"), subject to and conditional upon the conditions set out in paragraph 5 below ("**the Transaction**").

2. RATIONALE FOR THE TRANSACTION

The Transaction will result in a strategic collaboration and relationship being established by Vunani with one of South Africa's largest financial services groups. It is an exciting development for Vunani as it gives FBS and FFS the opportunity to continue to grow their activities within their core focus areas and to potentially expand into new areas and opportunities. FBS and FFS will further be able to leverage off the skills and expertise that reside in Old Mutual for the benefit of its clients, which include over 100 000 children who are dependents of deceased members of retirement funds.

3. NATURE OF BUSINESS

3.1. Vunani Capital

Vunani Capital is a wholly owned subsidiary of Vunani Limited. Its main business is to hold investments for the group's financial services assets and provide corporate advisory services.

3.2. FBS and FFS

FBS holds a section 13B administration license issued in terms of the Pension Fund Act. Its primary business is the provision of administration services to umbrella beneficiary funds and umbrella fiduciary trusts for the retirement industry and estates.

FFS provides tracing and related services to the retirement industry, including beneficiary funds and fiduciary funds administered by FBS.

4. SALE OF SHARES

With effect from the Effective Date the Seller shall sell and transfer to the Purchaser the Sale Shares. On conclusion of the Transaction, Vunani Capital shall hold 70% of the issued share capital of FBS and FFS and Old Mutual shall hold 30%.

5. CONDITIONS PRECEDENT

5.1 The completion of the Transaction is subject to regulatory approval from the Competition Commission.

5.2 The confirmation by the Seller that there have been no material adverse changes that have affected FBS and FFS between the signing of the agreements and the closing date.

The conditions must be fulfilled on or before the 31 May 2025 (being the cut-off date). The cut-off date may be extended by agreement between the Purchaser and the Seller in writing.

6. EFFECTIVE DATE

The effective date of the Agreement shall be the date upon which the conditions precedent are fulfilled.

7. CLOSING DATE

The closing date is the fifth business day succeeding the effective date.

8. PAYMENT CONSIDERATION

The purchase consideration payable by the Purchaser is an amount of R70 million and is payable in cash on the closing date.

9 FINANCIAL INFORMATION

The value of the net assets that are the subject of the Transaction as at 29 February 2024 and 31 August 2024, being the latest financial year end and interim period of Vunani Limited, respectively, was R190.8 million and R190.7 million. The profit after tax attributable to such net assets for the year ended and interim period ended 29 February 2024 and 31 August 2024, respectively, was R34.6 million and R21.0 million.

10 UTILISATION OF PROCEEDS

The proceeds from the sale will be utilised to strengthen the financial position of Vunani, improve liquidity as well providing a return for shareholders through dividends.

11 CATEGORISATION OF THE TRANSACTION

The Transaction is classified as a Category 2 transaction in terms of the JSE Listings Requirements.

12 CAUTIONARY WITHDRAWAL

Shareholders are referred to the cautionary announcement dated 31 May 2024 and the subsequent renewals of such announcement, latest dated 18 February 2025, are advised that negotiations have been successfully concluded, therefore, caution is no longer required to be exercised by shareholders when dealing in their securities.

19 February 2025
Sandton

Sponsor
Vunani Sponsors