

11 October 2022***Sanlam to acquire controlling shareholding in AfroCentric Group***

Sanlam has announced today that it has submitted an offer letter to the board of AfroCentric Investment Corporation Limited (AfroCentric), expressing Sanlam's firm intention to acquire AfroCentric shares that would result in Sanlam acquiring a controlling shareholding in AfroCentric.

Sanlam (through Sanlam Life Insurance) currently holds 28.7% in ACT Healthcare Assets, which in turn holds AfroCentric's businesses, including the Medscheme medical scheme administration business and AfroCentric's pharmacy businesses. As part of the transaction, Sanlam will transfer its shareholding in ACT Healthcare Assets to AfroCentric in exchange for an equal (28.7%) shareholding in AfroCentric.

Should the transaction proceed, Sanlam will hold a majority of AfroCentric shares, with the final shareholding dependent on the percentage of AfroCentric shareholders that accept Sanlam's offer. Sanlam has offered a purchase consideration of R6.00 per AfroCentric share, and AfroCentric shareholders have the option to receive the purchase consideration in cash or in Sanlam shares.

Sanlam's rationale for the transaction

Affordable and reliable healthcare is an important need for consumers. Sanlam intends to expand its client proposition to provide a more holistic product offering, including medical aid and health insurance. Through this transaction, Sanlam will be able to integrate AfroCentric's product offering into its ecosystem, while AfroCentric will gain increased access to the wide Sanlam distribution network. AfroCentric's client base will also benefit from access to the overall Sanlam product offering and vice versa.

AfroCentric is focused on delivering affordable medical aid and health insurance products which complements Sanlam's purpose of enabling its clients to be financially secure and prosperous. Sanlam has an excellent offering in the employee benefits market and by offering medical aid and health insurance alongside its other benefits, Sanlam will be able to create a simpler and more convenient solution for employers.

Sanlam believes in the long-term growth potential of AfroCentric and the businesses' combined abilities to deliver a differentiated proposition in the healthcare sector. This will be done through developing bespoke healthcare solutions and enhanced commercial visibility through increased marketing and Sanlam co-branding at the administrator level.

Said Sanlam Group CEO, Mr Paul Hanratty: "Sanlam is delighted to welcome AfroCentric shareholders, management and key stakeholders into the Sanlam Group if this offer to shareholders is accepted. AfroCentric is a leading diversified and integrated healthcare provider that provides services to 3.8 million members. They have an unwavering focus on providing excellent service at affordable price points to South African consumers, which makes them an attractive addition to Sanlam's stable of offerings."

Terms and conditions of the transaction

The offer is subject to conditions customary to a transaction of this nature, including approvals from the Competition Tribunal and Takeover Regulation Panel.

Responsibility statement

The board of directors of Sanlam ("Sanlam Board"), individually and collectively, accepts responsibility for information contained in this announcement insofar as it relates to Sanlam. In addition, the Sanlam Board certifies that to the best of its knowledge and belief, the information contained in this announcement as it relates to Sanlam, is true and correct and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein pertaining to Sanlam and that all reasonable enquiries to ascertain such information have been made.

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About the AfroCentric Group

AfroCentric group is a majority black-owned JSE-listed investment holding company which operates in and provides specialised services to the public and private healthcare sectors, making quality healthcare more accessible and affordable to members and beneficiaries in both sectors. A principal objective of the group is to ensure the delivery of efficient health management services, the distribution of quality products, all at manageable and affordable cost, for the benefit of scheme clients, scheme members and the group's growing customer base in various new product lines being developed.

The AfroCentric group operates through three business clusters: Services cluster, Pharmaceutical cluster, and the Corporate Solutions cluster. The Services cluster substantially comprises the medical scheme administration business, the Pharmaceutical cluster has a presence across manufacturing, wholesale and retail, and the Corporate Solutions cluster comprises various entities that support the overall aim of offering uniquely integrated, employee-focused health and wellness solutions to corporate and institutional clients. The AfroCentric group operates in South Africa, Botswana, Mauritius and Namibia.

About the Sanlam Group

Sanlam is a pan-African financial services group listed on the Johannesburg, Namibian and A2X stock exchanges. Through its clusters: Life and Savings encompassing Retail Mass, Retail Affluent and Corporate business units; Sanlam Emerging Markets; Sanlam Investment Group; and Santam, the Group provides comprehensive and bespoke financial solutions to institutional clients and consumers across all market segments. Sanlam's areas of expertise include life and general insurance, financial planning, retirement, investments, and wealth management.

Established in 1918 as a life insurance company, Sanlam has evolved into the largest non-banking financial services group in Africa through its diversification strategy.

Headquartered in South Africa, Sanlam has a direct stake in financial services entities in Namibia, Botswana, Swaziland, Zimbabwe, Mozambique, Mauritius, Malawi, Zambia, Tanzania, Rwanda, Uganda, Kenya, and Nigeria. The Group has a footprint of insurance operations in Morocco, Angola, Algeria, Tunisia, Ghana, Niger, Mali, Senegal, Burkina Faso, Cote D'Ivoire, Togo, Benin, Cameroon, Gabon, Madagascar, Burundi, and Lesotho.

Sanlam also has business interests in India, Malaysia and the United Kingdom and a niche presence in selected developed markets.

For further information on Sanlam, please visit us at www.sanlam.com

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