

PUBLIC ANNOUNCEMENT

The Capital Markets Act, Chapter 485A, Laws of Kenya and Regulation 4(3) of The Capital Markets (Take-overs and Mergers) Regulations, 2002

NOTICE OF INTENTION NOT TO MAKE A MANDATORY TAKE-OVER OFFER TO THE SHAREHOLDERS OF SANLAM KENYA PLC

1. Notice of Intention

We, Hubris Holdings Limited (“**Hubris**”) and Sanlam Allianz Africa Proprietary Limited (“**SAZ**”), hereby announce to the public that on 05 June 2025, we served on the board of directors of Sanlam Kenya Plc (“**SKP**”) a notice of our intention (“**Notice**”) **NOT** to make a take-over offer, triggered by the Rights Issue and the Underwriting Agreement (defined in paragraphs 2.2 and 2.5 below), to acquire all the ordinary shares in the capital of SKP that are not directly or indirectly owned by Hubris and SAZ after the completion of the Rights Offer and the Underwriting Agreement. Hubris and SAZ have also served a copy of the Notice to the Capital Markets Authority of Kenya (“**CMA**”), the Nairobi Securities Exchange (“**NSE**”) and the Competition Authority of Kenya (“**CAK**”).

2. Background to the Transaction

- 2.1.

In February 2021, Stanbic Bank Kenya Plc (“**Stanbic**”) provided a KES 3 billion loan to SKP for a term of three years. This facility was restructured by Stanbic in 2022 into a KES 4 billion loan maturing in March 2025 and which term was further extended to 17 June 2025 (“**Stanbic Loan**”).
- 2.2.

As part of SKP’s plans to optimise its financial position and enhance overall performance, the SKP directors and the shareholders through resolutions dated 13 November 2024 and 11 December 2024 respectively, approved a rights issue to raise KES 2.5 billion through the issuance of 500,000,000 new SKP ordinary shares at an offer price of KES 5 in the ratio of 125 new ordinary shares for every 36 ordinary shares held in the share capital of SKP (“**Rights Issue**”).
- 2.3.

The net proceeds of the Rights Issue were to be used to:

2.3.1.

settle the Stanbic Loan, thereby reducing SKP’s long-term debt levels and saving on interest costs currently being charged by Stanbic; and

2.3.2.

provide management with operational flexibility and resources to drive SKP’s profitability.
- 2.4.

The Rights Issue was approved by the Capital Markets Authority (“**CMA**”) and the Insurance Regulatory Authority (“**IRA**”) on 19 December 2024, subject to compliance with local shareholding requirements under the Insurance Act (Cap 487) Laws of Kenya (“**Insurance Act**”). Details of the Rights Issue are set out in an information memorandum dated 03 April 2025 and circulated to SKP shareholders (“**Information Memorandum**”).
- 2.5.

The Rights Issue was underwritten by SAZ in accordance with the terms of an underwriting agreement entered into between SKP and SAZ dated 03 April 2025 (“**Underwriting Agreement**”), pursuant to which SAZ undertook to acquire any untaken rights by the eligible shareholders of SKP in the Rights Issue.
- 2.6.

The arrangements under the Underwriting Agreement were approved by the CMA on 19 December 2024 and by the SKP directors and shareholders through resolutions dated 13 November 2024 and 11 December 2024 respectively. Further details on the Underwriting Agreement are contained in the Information Memorandum.
- 2.7.

SKP’s majority shareholder Hubris (a wholly owned subsidiary of SAZ) took up all its entitlements under the Rights Issue and at the close of the Rights Issue and commencement of trading on 04 June 2025, Hubris held 359,700,000 ordinary shares of KES 5 each in SKP, being 66.19% of SKP’s issued share capital (“**Initial Allotment**”).
- 2.8.

Following the close of the Rights Issue and pursuant to the terms of the Information Memorandum and the Underwriting Agreement, SAZ and/or Hubris is expected to be allotted a further 100,579,535 of KES 5 each in SKP (“**Subsequent Allotment**”), taking their total allotment to 460,279,535 ordinary shares of KES 5 each, being approximately 71.47% of SKP’s issued share capital post the Rights Issue.
- 2.9.

The Subsequent Allotment is subject to receipt of approvals from the CMA, the IRA and the exemption from the Cabinet Secretary for the National Treasury and Economic Planning in Kenya (“**CS**”) under the Insurance Act in relation to local shareholding requirements.
- 2.10.

The acquisition of shares in SKP by:

2.10.1.

Hubris under the Initial Allotment increased Hubris’ shareholding in SKP from a direct shareholding of 57.14% to 66.19%; and

2.10.2.

Hubris and/or SAZ under the Subsequent Allotment is expected to increase SAZ’s direct and indirect shareholding to a shareholding of 71.47%,

therefore triggering the provisions of regulations 3(1) and 4 of The Capital Markets (Take-overs and Mergers) Regulations, 2002 (“**Take-over Regulations**”) under which Hubris and SAZ will be deemed as having acquired effective control of SKP.
- 2.11.

Hubris and SAZ do **NOT** intend to make a take-over offer for the remaining shares in SKP that are not directly or indirectly held by Hubris and SAZ following implementation of the Initial Allotment and the Subsequent Allotment and have applied to the CMA for an exemption under regulations 5(2)(a); 5(2)(f) and 5(2)(g) of the Take-over Regulations.

3. Rationale for the Exemption Application

- 3.1.

The exemption application:

3.1.1.

follows from the successful implementation of the Rights Issue. SAZ has actively supported and facilitated the settlement of the Stanbic Loan through its participation in and underwriting of the Rights Issue, thereby assisting the SKP group to position itself for expansion which is expected to provide broader benefits to the insurance market in Kenya. This support reflects SAZ’s (and consequently Hubris’) long-term commitment to the financial services sector in Kenya, which is a strategic market in the SAZ portfolio; and

3.1.2.

fulfils regulatory obligations under the Insurance Act specifically and the Takeover Regulations, reaffirming SAZ’s commitments to good governance and regulatory compliance.

4. Proposed Offeror

- 4.1.

The proposed offeror in relation to the Initial Allotment is Hubris Holdings Limited, a limited liability company incorporated under the Laws of the Republic of Kenya under company number C. 87555 and having its registered address at Sanlam House, L.R. No. 209/927 and of PO Box 44041 GPO Nairobi, Kenya.
- 4.2.

The proposed offeror in relation to the Subsequent Allotment is Hubris and/or SAZ. SAZ is a limited liability company duly established under the laws of the Republic of South Africa and registered under company number

2021/987585/07, having its registered address at 2 Strand Road, Sanlamhof, Cape Town, South Africa, 7532.

- 4.3.

SAZ is a holding company for financial services investments across Africa.
- 4.4.

SAZ is owned:

4.4.1.

51% by Sanlam Emerging Markets (Pty) Ltd (“**SEM**”). SEM is an investment holding company domiciled in South Africa and a wholly owned subsidiary of Sanlam Limited, a multinational financial services company headquartered in Cape Town, South Africa and listed on the Johannesburg Stock Exchange; and

4.4.2.

49% by Allianz B.V., a wholly owned subsidiary of Allianz SE, a multinational financial services company headquartered in Munich, Germany and listed on the Frankfurt Stock Exchange.
- 4.5.

Further information in relation to SAZ is available on its website at <https://www.sanlamallianz.com>.

5. Proposed Offeree

- 5.1.

The proposed offeree under the Initial and Subsequent Allotments is SKP, a public limited liability company duly established under the laws of the Republic of Kenya under company number C.10/46 and having its registered address at Sanlam Tower, 15th floor, Off Waiyaki Way, Westlands, Post Office Box 10493- 00100, Nairobi, Kenya.
- 5.2.

SKP is listed on the Main Investment Market Segment of the Nairobi Securities Exchange (“**NSE**”).
- 5.3.

Further information in relation to SKP is available on its website at <https://www.sanlam.com/kenya>.

6. Existing Interest of Hubris and SAZ in SKP

- 6.1.

As at the date of the Notice, SKP had an issued share capital of KES 2,717,102,325 divided into 543,420,465 ordinary shares of KES 5 each.
- 6.2.

As at the date of the Notice, Hubris holds 359,700,000 ordinary shares of KES 5 each being 66.19% of SKP’s issued share capital.
- 6.3.

As at the date of the Notice, SAZ:

6.3.1.

does not hold any shares directly in SKP; and

6.3.2.

holds 359,700,000 ordinary shares of KES 5 each indirectly in SKP through Hubris, which constitute 66.19% of SKP’s issued share capital.
- 6.4.

Post the Subsequent Allotment, SKP is expected to have an issued share capital of KES 3,220,000,000 divided into 644,000,000 ordinary shares of KES 5 each.
- 6.5.

Post the Subsequent Allotment, SAZ is expected to hold 71.47% of SKP’s issued share capital directly or indirectly as follows:

6.5.1.

367,965,499 ordinary shares of KES 5 each indirectly in SKP through Hubris, which will constitute approximately 57.14% of SKP’s issued share capital; and

6.5.2.

92,314,036 ordinary shares of KES 5 each in SKP held through Hubris and/or SAZ, which will constitute approximately 14.33% of SKP’s issued share capital.

7. Irrevocable Undertakings, Persons acting in concert and options

- 7.1.

Hubris, SAZ, their related companies and associated persons have not received any irrevocable undertaking from any shareholder of SKP to acquire any voting shares of SKP.
- 7.2.

Save for the arrangements under the Information Memorandum and the Underwriting Agreement, there is no other existing or proposed arrangement in respect of which SAZ, Hubris or any of their related companies and associated persons have an option to acquire any voting shares of SKP.
- 7.3.

Hubris (owned 100% by SAZ) will be deemed to be acting in concert with SAZ for purposes of Regulation 3 of the Take-over Regulations. Hubris and SAZ are deemed to be acting in concert by virtue of their parent-subsidiary relationship.

8. Conditions of the Subsequent Allotment

- 8.1.

The Subsequent Allotment is subject to fulfilment or waiver (to the extent legally capable of being waived at the sole discretion of SAZ and Hubris) of the following conditions:

8.1.1.

approvals, exemptions or exclusions in terms acceptable to SAZ of the transactions contemplated herein by the CMA, the IRA and the CS (as applicable), and any other relevant regulator as applicable in the various jurisdictions in which SKP and its subsidiaries or holding companies operate; and

8.1.2.

the completion of the Rights Issue in accordance with the terms of the Information Memorandum and the allotment, issuance and listing of all untaken rights under the Rights Issue to SAZ in accordance with the Underwriting Agreement.

Date: 06 June 2025

Hubris Holdings Limited and Sanlam Allianz Africa Proprietary Limited

DISCLAIMER: This announcement is for informational purposes only and is not intended to constitute, and may not be construed as, a public offering. It has been issued with the approval of the Capital Markets Authority of Kenya pursuant to regulation 4(1) of The Capital Markets (Take-overs and Mergers) Regulations, 2002 and Regulations 80(2) of The Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023. As a matter of policy, the Capital Markets Authority of Kenya assumes no responsibility for the correctness of the statements appearing in this announcement.



Transaction Legal Adviser
NBMA Advocates LLP
One Africa Place
Waiyaki Way Nairobi, Kenya



Financial Adviser
Absa Securities Limited
Waiyaki Way
Nairobi Kenya