



LIBERTY

PUBLIC ANNOUNCEMENT

NOTICE OF INTENTION

The Capital Markets Act Chapter 485A of the Laws of Kenya

Regulation 4(3) of The Capital Markets (Take-overs and Mergers) Regulations, 2002 and Regulation 61(2) of The Capital Markets (Licensing Requirements) (General) Regulations, 2002

Liberty Holdings Limited (incorporated in South Africa)

Proposed acquisition by Liberty Holdings Limited ("Liberty Holdings") of: (1) 49,543,920 ordinary shares in Liberty Kenya Holdings Plc ("Liberty Kenya") ("Ordinary Shares") from the KFAMF Sellers (as defined below); and (2) 34,692,010 Ordinary Shares from the Coronation Sellers (as defined below) under a private transaction.

1. Introduction

Pursuant to regulation 4(3) of the Capital Markets (Take-overs & Mergers) Regulations, 2002 (the "Take-over Regulations") Liberty Holdings, hereby announces that on 4 March 2021, it served a notice on Liberty Kenya to acquire:

- 49,543,920 Ordinary Shares (the "KFAMF Sale Shares") in the issued share capital of Liberty Kenya from the Conrad N. Hilton Foundation, a private foundation (registration number 643689) registered in the State of Nevada and managed by 337 Frontier Capital, L.P. (the "Foundation"); Kimberlite Frontier Africa Master Fund, L.P. (fund number 805-8920124805), a fund managed by 337 Frontier Capital, L.P. ("KFAMF") and Vanderbilt University, a university endowment fund (registration number 62-0476822) registered in the State of Tennessee and managed by 337 Frontier Capital, L.P. ("Vanderbilt") and together with the Foundation and KFAMF, the "KFAMF Sellers") (the "Proposed KFAMF Acquisition"); and
- 34,692,010 Ordinary Shares ("Coronation Sale Shares" and together with the KFAMF Sale Shares, the "Sale Shares") in the issued share capital of Liberty Kenya from the Coronation Africa Frontiers Fund (registration number C57739), a sub-fund of the Coronation Universal Fund, registration number C23135, registered with the Central Bank of Ireland as an alternative investment fund and domiciled in Ireland, as represented by Coronation Investment Management International (Pty) Ltd in its capacity as the discretionary investment manager of the Coronation Africa Frontiers Fund ("CAFF") and Coronation All Africa Fund (registration number C48323), a sub-fund of the Coronation Global Opportunities Fund, registration number C48307, registered with the Central Bank of Ireland as a UCITS and domiciled in Ireland, as represented by Coronation Investment Management International (Pty) Ltd in its capacity as the discretionary investment manager of the Coronation All Africa Fund ("CAAF") and together with CAFF, the "Coronation Sellers" whom together with the KFAMF Sellers are referred to as, the "Sellers") (the "Proposed Coronation Acquisition" and together with the Proposed KFAMF Acquisition, the "Proposed Acquisitions" each a "Proposed Acquisition").

2. The Offeror

Liberty Holdings (registration number 1968/002095/06) is a public company duly incorporated in South Africa with registered address at Liberty Centre, 1 Ameshoff Street, Braamfontein, Johannesburg, South Africa. Currently, Liberty Holdings holds 57.743% of the issued share capital of Liberty Kenya, being 309,333,535 Ordinary Shares.

3. The Offeree

Liberty Kenya (registration number C12/2010), is a public company duly incorporated in Kenya and listed on the Main Investment Market Segment of the Nairobi Securities Exchange ("NSE") with registered address at Liberty House, Processional Way, Nairobi. Liberty Kenya owns 100% of two operating subsidiary companies, namely Liberty Life Assurance Company Kenya Limited ("LLK"), a licensed insurer authorised to write life insurance in Kenya under the Insurance Act (Chapter 487 of the Laws of Kenya) ("Insurance Act"), and The Heritage Insurance Company Kenya Limited ("HIK"), a licensed insurer authorised to write general business in Kenya under the Insurance Act, which in turn owns a 60% share in The Heritage Insurance Company Tanzania Limited ("HIT" and together with HIK and LLK, the "Operating Companies"), also a general insurance underwriter in that jurisdiction.

Details of Liberty Kenya's current top 10 shareholders as at 31 January 2021 are set out below:

Name	Shares	Percentage
1. Liberty Holdings Limited	309,333,535	57.743%
2. African Liaison and Consultant Services Limited	82,250,289	15.354%
3. Standard Chartered Kenya Nominees Ltd A/C KE22446	39,159,077	7.310%
4. Standard Chartered Nominees Non- Resd. A/C 9866	33,974,282	6.342%
5. Genghis Nominee A/C 029	27,000,000	5.040%
6. Stanbic Nominees Ltd A/C NR1031142	5,345,350	0.998%
7. Standard Chartered Kenya Nominees Ltd A/C KE22816	5,039,493	0.941%
8. The Permanent Secretary to the Treasury of Kenya (on behalf of the Government of Kenya)	4,602,008	0.859%
9. Mwangi, Peter Kingori	1,862,922	0.348%
10. Co-Op Custody Account 4006	1,490,597	0.278%
11. Others	25,649,946	4.654%
Total number of shares in issue	535,707,499	100.000%

4. The Sellers

KFAMF Sellers

The KFAMF Sellers are presently the owners of the KFAMF Sale Shares that are the subject of the Proposed KFAMF Acquisition as follows:

- the Foundation owns 5,039,493 Ordinary Shares (the "Foundation Sale Shares") together with all of the Foundation's rights in respect of those shares held via its custodian Standard Chartered Kenya Nominees Ltd;
- KFAMF owns 39,159,077 Ordinary Shares (the "Kimberlite Sale Shares") together with all of KFAMF's rights in respect of those shares held via its custodian Standard Chartered Kenya Nominee Ltd; and
- Vanderbilt owns 5,345,350 Ordinary Shares (the "Vanderbilt Sale Shares"), together with all of Vanderbilt's rights in respect of those shares held via its custodian Stanbic Bank Kenya Limited, and the KFAMF Sale Shares amount to 9.248% of the total issued share capital of Liberty Kenya.

Coronation Sellers

The Coronation Sellers are presently the owners of the Coronation Sale Shares that are the subject of the Proposed Coronation Acquisition as follows:

- CAFF owns 33,974,282 Ordinary Shares (the "CAFF Sale Shares") together with all of CAFF's rights in respect of those shares held via Standard Chartered Nominees Non- Resd. as sub-custodians of CAFF's custodian JP Morgan Chase; and
- CAAF owns 717,728 Ordinary Shares (the "CAAF Sale Shares") together with all of CAAF's rights in respect of those shares held via Standard Chartered Nominees Non- Resd. as sub-custodians of CAFF's custodian JP Morgan Chase, and the Coronation Sale Shares amount to a total of 6.476% of the total issued share capital of Liberty Kenya.

5. Current shareholding by Liberty Holdings and related parties in Liberty Kenya

Liberty Holdings holds 57.743% of the issued shares in Liberty Kenya being 309,333,535 Ordinary Shares.

None of the directors of Liberty Holdings own Ordinary Shares in Liberty Kenya.

None of the Liberty Holdings directors hold directorships in Liberty Kenya.

6. Proposed Acquisitions and intention to acquire by means of private transactions

Liberty Holdings proposes to acquire the Sale Shares from the Sellers by means of a private transaction under section 31(1) and 31(1A)(i) of the Capital Markets Act (Cap 485A of the Laws of Kenya) ("Capital Markets Act") and regulations 57(d) and 61(f) of the Capital Markets (Licensing Requirements) (General) Regulations, 2002 ("Licensing Regulations"), and upon the completion of the Proposed Acquisitions, Liberty Holdings will legally and beneficially own a total of 393,569,465 of the Ordinary Shares, which amounts to 73.467% of issued share capital in Liberty Kenya.

Accordingly, Liberty Holdings has applied to the Capital Markets Authority for its written approval under section 31(1) of the Capital Markets Act and regulations 57(d) and 61(f) of the Licensing Regulations to effect the Proposed Acquisitions by way of a private transaction on the basis that the Proposed Acquisitions:

- enable the Sellers to dispose of their shares in an efficient and orderly manner preserving the Kenyan capital market's reputation as an attractive and efficient market for institutional investors;

- enable Liberty Holdings to increase its strategic stake in Liberty Kenya reaffirming its commitment to Liberty Kenya and the Kenyan and Tanzanian economies;
- enable Liberty Holdings to improve the efficiency of its own regulatory capital management - increasing its ability to support Liberty Kenya and its businesses;
- may make it easier and faster for the Operating Companies to implement strategic and operational changes needed to deliver growth and business transformation; and
- should help strengthen Liberty Kenya's capacity to fund investment required to support future growth.

7. Sale of Shares Agreement

Liberty Holdings has entered into:

- a sale of shares agreement by and between it and the KFAMF Sellers dated 4 March 2021 ("KFAMF Sale of Shares Agreement"); and
- a sale of shares agreement by and between it and the Coronation Sellers dated 4 March 2021 ("Coronation Sale of Shares Agreement" and together the KFAMF Sale of Shares Agreement, the "Sale of Shares Agreements", each a "Sale of Shares Agreement"),

on which terms and subject to such conditions, each of the Sellers have accepted Liberty Holdings' offer to purchase the Sale Shares and has agreed to sell the Sale Shares.

Completion of each of the Proposed Acquisitions will be subject to all the conditions set out in paragraph 19 below having been met of (where capable of being waived) waived as legally permissible and each Sale of Shares Agreement being completed in accordance with its terms. The salient conditions of each of the Sale of Shares Agreements are outlined in paragraph 19 below.

Whilst each of the Proposed KFAMF Acquisition and the Proposed Coronation Acquisition are distinct transactions, the intention is to complete both Proposed Acquisitions simultaneously.

8. Closing

Pursuant to the applicable Sale of Shares Agreement, each closing date for the sale and purchase of the KFAMF Sale Shares and the Coronation Sale Shares shall be the fifth business day following the date on which the last of the applicable conditions precedent as set out in paragraph 19 of this notice respectively are fulfilled or waived.

9. Consideration

The consideration for the Sale Shares shall be payable in cash as follows:

- in respect of the KFAMF Sale Shares under the KFAMF Sale of Shares Agreement, an aggregate amount of KES 544,983,120; and
- in respect of the Coronation Sale Shares under the Coronation Sale of Shares Agreement, an aggregate of KES 381,612,110, being in each case equivalent to KES 11 per Sale Share.

10. Application for exemption from making a take-over offer

Liberty Holdings does not intend to make a general offer to acquire all the voting shares in Liberty Kenya following the Proposed Acquisitions. There is no intention to delist Liberty Kenya from the NSE after completion of the Proposed Acquisitions that will result in Liberty Holdings increasing its shareholding from 57.743% to 73.467% in Liberty Kenya. Liberty Holdings intends to continue to provide management and technical support to Liberty Kenya following completion of the Proposed Acquisitions and does not envisage any changes to the Board of Directors and management team of Liberty Kenya as consequence of completion of the Proposed Acquisitions.

Consequently, pursuant to Regulation 5 of the Take-over Regulations, Liberty Holdings has submitted an application to the Capital Markets Authority for a written exemption from compliance with Regulation 4 of the Take-over Regulations on the grounds that such exemption shall:

- allow the maintenance of domestic shareholding for strategic reasons and serves the public interest; and
- facilitate the Proposed Transactions that are acquisitions for the purpose of a strategic investment in a listed company that is tied up with management or other technical support relevant to the business of such company.

11. Persons acting in concert, current holdings and agreements with holders of voting shares

There are no persons acting in concert with Liberty Holdings and Liberty Holdings does not have an option to acquire any additional shares in Liberty Kenya. Each of the Sellers and Liberty Holdings have entered into the applicable Sale of Shares Agreements upon the dates set out above.

12. Conditions

Completion of each of the Proposed KFAMF Acquisition and the Proposed Coronation Acquisition will be subject to fulfilment (or waiver where applicable) of the conditions precedent listed below (some of which have been fulfilled (as indicated above):

- the Capital Markets Authority shall have granted:
 - its written approval in terms of section 31(1) and 31(1A)(i) of the Capital Markets Act and regulation 57(d) of the Licensing Regulations and for the conclusion and implementation of the KFAMF Sale of Shares Agreement and the Coronation Sale of Shares Agreement as private transactions; and
 - its written exemption under Regulation 5 of Take-over Regulations which exempts Liberty Holdings from any obligation to make a mandatory takeover offer to the other shareholders of Liberty Kenya;
- the Commissioner (as defined under the Insurance Act) shall have granted his written approval in terms of section 166(1A) of the Insurance Act for the acquisition by Liberty Holdings of the KFAMF Sale Shares and the Coronation Sale Shares;
- the South African Prudential Authority shall have granted its written approval in terms of section 51(f) of the South African Insurance Act No 18 of 2017 and section 52(f) of the South African Banks Act 94 of 1990 for the conclusion and implementation of the KFAMF Sale of Shares Agreement and the Coronation Sale of Shares Agreement;
- the Financial Surveillance Department of the South African Reserve Bank shall have granted its written approval for the payment by Liberty Holdings of the consideration for the KFAMF Sale Shares and the Coronation Sale Shares in terms of the KFAMF Share Sales Agreement and the Coronation Sale of Shares Agreement respectively;
- the Tanzanian Fair Competition Commission shall have either:
 - granted its written approval for the acquisition by Liberty Holdings of the Sale Shares; or
 - confirmed in writing that its approval is not required for the acquisition by Liberty Holdings of the Sale Shares; and
- Liberty Holdings, the KFAMF Sellers and the Coronation Sellers shall have obtained in writing all other regulatory approvals and exemptions which are necessary for the implementation of the KFAMF Sale of Shares Agreement and the Coronation Sale of Shares Agreement and the holding by Liberty Holdings of the KFAMF Sale Shares and the Coronation Sale Shares, provided that if any such approval or exemption is granted subject to any conditions, then the relevant condition which refers to that approval shall only be fulfilled if Liberty Holdings has confirmed in writing that it accepts such conditions.

Dated 5 March 2021

**By order of the Board of Directors
For and on behalf of Liberty Holdings Limited**