

Invicta Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1966/002182/06)

Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773

Preference Share code: IVTP Preference Share ISIN: ZAE000173399

("Invicta" or the "Company" or the "Group")

SIMPLIFICATION OF THE GROUP'S FINANCING STRUCTURE

1. INTRODUCTION AND RATIONALE

Invicta is in the process of undertaking a restructure to simplify its Group structure (the "Restructure"), pursuant to which, among other things, Invicta Finance Proprietary Limited ("IFL") will be deregistered (after the assets currently held by IFL have been moved to other Group companies), all whilst maintaining the current B-BBEE status of Invicta's 75% held subsidiary, Invicta South Africa Holdings Proprietary Limited ("ISAH") and its subsidiaries, Bearing Man Group Proprietary Limited ("BMG") and Humulani Marketing Proprietary Limited ("HM").

On 15 November 2022, the relevant Group companies entered into agreements and adopted the requisite resolutions pursuant to the Restructure. The Restructure will be implemented on the day on which the last of the conditions precedent set out in paragraph 5 below have been fulfilled.

One of the steps of the Restructure constitutes a 'category 2 transaction' in terms of the JSE Listings Requirements. Accordingly, further details on this step of the Restructure, as well as certain background information, are set out below.

2. CURRENT GROUP STRUCTURE 2.1 Invicta currently holds 100% of the ordinary shares in each of IFL and Invicta Treasury Holdings Proprietary Limited ("ITH"). In addition, Invicta holds 75% of the ordinary shares in ISAH, which in turn holds 100% of the shares in BMG and HM. The remaining 25% of the ordinary shares in ISAH are held by Theramanzi Investments Proprietary Limited (RF) (a wholly-owned subsidiary of the Humulani Empowerment Trust) (which holds 20% of the ordinary shares in ISAH) and The Humulani Employee Investment Trust (which holds 5% of the ordinary shares in ISAH), jointly referred to as the "B-BBEE Shareholders". The B-BBEE Shareholders were established by Invicta as part of the Group's commitment to Broad-Based Black Economic Empowerment.

2.2 IFL currently holds the following A series preference shares ("A Prefs"): 2.2.1 1,119,573,423 cumulative non-participating preference shares issued by BMG ("BMG Prefs"). The subscription price in respect of the BMG Prefs was R1.119 billion;

2.2.2 1,909,084 cumulative non-participating preference shares issued by HM ("HM Prefs"). The subscription price in respect of the HM Prefs was R1.909 billion; and

2.2.3 221,919 cumulative non-participating preference shares issued by ISAH ("ISAH Prefs"). The subscription price in respect of the ISAH Prefs was R221,9 million.

2.3 Invicta currently holds 5,480,666 cumulative redeemable non-participating "A Series" preference shares issued by IFL ("IFL Prefs"). The subscription amount was R5.48 billion.

2.4 IFL has a loan claim against ITH with a face value of approximately R3,068 billion ("IFL/ITH Loan").

3. THE RESTRUCTURE

Set out below is a summary of the steps ("Steps") to be taken to give effect to the Restructure and its objectives: 2

3.1 Step 1: Loan restructure steps

3.2 Step 2: Maintaining the current B-BBEE status

3.3 Step 3: Transfer of HM Prefs and BMG Prefs by IFL to ISAH

3.4 Step 4: IFL Prefs restructure

3.5 Step 5: Liquidation distribution by IFL

3.6 Step 6: Amendment of the HM Prefs, BMG Prefs terms and ISAH Prefs terms 3.6.1 The amendment of the HM Prefs terms and BMG Prefs terms, as recorded in the memoranda of incorporation of each of HM and BMG, which HM Prefs and BMG Prefs are, pursuant to the implementation of Step 3, held by ISAH (in addition to all the ordinary shares in HM and BMG which are also held by ISAH). The purpose of the amendment is to remove the entitlement to any accrued but undeclared dividends, and instead allow ISAH to participate *pari passu* in respect of all dividends of HM and BMG.

3.6.2 The amendment of the ISAH Prefs terms, as recorded in the memorandum of incorporation of ISAH, which ISAH Prefs are held by Invicta (in addition to 75% of the ordinary shares in ISAH which are also held by Invicta). The purpose of the amendment is to remove the entitlement to any accrued but undeclared dividends, and instead entitle Invicta to dividends declared by ISAH to the holders of the ISAH Prefs out of any available free cash flow. This, however, may only occur after a dividend has been declared to the holders of the ordinary shares in ISAH, subject to ISAH considering, amongst other things, the impact of declaring such dividend to the holder of the ISAH Prefs on its broad-based black economic ownership score.

ISAH transfers the loan of approximately R14.9 million ("ISAH/IFL Loan") owing to it by IFL to ITH and such loan is then set-off against a corresponding portion of the IFL/ITH Loan ("ITH/IFL Set-off").

In light of the commercial importance of the B-BBEE Shareholders maintaining a 25% shareholding in ISAH, these shareholders will subscribe for 10 additional ordinary shares in ISAH for a nominal subscription amount (see Step 3 below - ordinary shares are thus issued by ISAH to IFL and the B-BBEE Shareholders in a 30:10 ratio, or (put differently) a 75%:25% ratio).

IFL will transfer the HM Prefs and the BMG Prefs to ISAH in exchange for the issue of 30 ordinary shares by ISAH to IFL.

The amendment of the IFL Prefs' terms as recorded in the IFL memorandum of incorporation, which IFL Prefs are held by Invicta (in addition to all the ordinary shares in IFL which are also held by Invicta). The purpose of the amendment is to remove the entitlement to any accrued but undeclared dividends in respect of the IFL Prefs, and instead allow Invicta to participate *pari passu* in respect of all dividends and return of capital of IFL.

IFL distributes all its assets, constituting the ISAH Prefs, its ordinary shares held in ISAH and the ITH Loan, as a liquidation distribution in terms of section 47 of the Income Tax Act, 58 of 1962 to Invicta.

4. CLASSIFICATION OF THE RESTRUCTURE

Step 3 involves the transfer by IFL (an investment holding company, which is a wholly-owned subsidiary of Invicta) of the HM Prefs (R1.909 billion) and the BMG Prefs (R1.119 billion) to ISAH (an investment holding and management company, which is a 75%-owned subsidiary of Invicta) in exchange for the issue of 30 ordinary shares by ISAH to IFL. In effect, IFL is disposing of 25% of the aforementioned preference shares (i.e. 25% of R2.355 billion, being R588.75 million). This is a category 2 transaction in terms of the JSE Listings Requirements, requiring an announcement to be published.

None of the other steps giving effect to the Restructure require Invicta to take any further action under the JSE Listings Requirements. 3

5. CONDITIONS PRECEDENT 5.1 the preceding Step being implemented (except for Step 1, which is contingent on the other Restructure agreements being fully signed); and
5.2 the requisite resolutions being adopted by the relevant entities.

Implementation of Step 3 is contingent on the entire Restructure being implemented. In addition, we draw your attention to the fact that each Step is subject to the fulfilment of the following conditions precedent which are normal for a transaction of this nature:

6. FINANCIAL INFORMATION

The implementation of the Restructure will have no financial effect on the consolidated Group annual financial statements, as it is an intra-Group transaction and ISAH is 100% consolidated due to the provisions of IFRS 10. The financial information included in this announcement is the responsibility of the Invicta directors and has not been reviewed and reported on by Invicta's auditors.

Johannesburg

15 November 2022

Legal advisor: ENSafrica

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited