



Wednesday, 29 September 2021

Dear Shareholders

**UPDATE ON THE SHARE RECONSTRUCTION FOR AXA MANSARD INSURANCE PLC**

As you are aware, NAICOM had proposed changes to its minimum regulatory requirement on paid-up capital, and in order to achieve this, AXA Mansard Insurance Plc (“AXA Mansard” or “the Company”) implemented a bonus issue in December 2020. The bonus issuance resulted in an increase in the Company’s share capital from N5.25bn to N18.0bn and accordingly an increase in shares outstanding from 10.5 billion shares to 36.0 billion shares.

This significant increase in shares outstanding impacted the per share metrics of the company and the qualitative and quantitative costs of managing the shareholder’s register. It could also structurally impede the company’s ability to raise additional capital in future. To manage this outcome, the company proposed and received necessary shareholders and regulatory approvals to effect a redenomination of the nominal value of its shares from N0.50 to N2.00.

This redenomination reconstructs the shares outstanding from 36.0bn share to 9.0bn shares without altering the shareholding structure of the company. All shares continue to rank equally in all respects and continue to form a single class of ordinary issued shares of AXA Mansard. As earlier explained in prior communications and at the Extra-Ordinary General Meeting for the shareholders, the effect of the share reconstruction is illustrated in the table below:

<b>PRE-SHARE RECONSTRUCTION</b>			
<b>A</b>	<b>Share capital</b>	<b>18,000,000,000</b>	<b>N</b>
B	Nominal value pre-reconstruction	0.5	N
<b>C</b>	<b>Pre-reconstruction shares outstanding [ A/B]</b>	<b>36,000,000,000</b>	<b>Units</b>
D	Share price pre-reconstruction (as at close of Friday, 24 Sep 2021)	0.83	N
<b>E</b>	<b>Market capitalization pre-reconstruction (as at close of Friday, 24 Sep 2021) [C*D]</b>	<b>29,880,000,000</b>	<b>N</b>
<b>POST-SHARE RECONSTRUCTION</b>			
<b>A</b>	<b>Post reconstruction share capital</b>	<b>18,000,000,000</b>	<b>N</b>
B	Nominal value post-reconstruction (N0.50 to N2.00 or 4 for each 1)	2	N
<b>C</b>	<b>Post-reconstruction shares outstanding</b>	<b>9,000,000,000</b>	<b>Units</b>
D	Share price post-reconstruction (as at open of Monday, 27 Sep 2021)	3.32	
<b>C</b>	<b>Market capitalization for-reconstruction (as at open of Monday, 27 Sep 2021)</b>	<b>29,880,000,000</b>	<b>N</b>



## EFFECT OF SHARE RECONSTRUCTION ON SHAREHOLDERS

The impact on a shareholder holding 1,000 shares at the start of the reconstruction process, before the shares were placed on suspension is shown in the table below.

<b>AXA SHAREHOLDER EXAMPLE</b>	
No of shares held pre-reconstruction <b>(A)</b>	1,000
Pre-reconstruction share price <b>(B)</b> (as at close of Friday, 24th Sep 2021)	₺0.83
Value of shares (1,000 shares @ ₺0.83) <b>(C) = A*B</b>	<b>₺830.00</b>
No. of shares held post reconstruction - Basis 1 for every 4 <b>(D) = A/4</b>	250
Share price post reconstruction <b>(E) = B*4</b> (as at open of Monday, 27 Sep 2021)	₺3.32
Value of shares (250 shares @ ₺3.32) = <b>(F) = D*E</b>	<b>₺830.00</b>

Please note that the share reconstruction has now been effected, and the reconstructed shares credited to each shareholder's account. The suspension of trading on the company's shares has also been lifted.

Please take this as notice in respect of the above.

We thank you, our esteemed shareholders for your support so far in this process and assure you of our commitment to continued growth & profitability of the business.

Signed

AXA Mansard Insurance plc