Phuthuma Nathi Investments (RF) Limited
(Incorporated in the Republic of South Africa)
Registration number: 2006/015187/06
Share code: EXPN1
("**Phuthuma Nathi**" or the "**Company**")

FIRM INTENTION ANNOUNCEMENT OF THE PROPOSED PARTICIPATION BY THE COMPANY IN THE REORGANISATION OF MULTICHOICE SOUTH AFRICA HOLDINGS PROPRIETARY LIMITED AS A CONSEQUENCE OF GROUPE CANAL+'S MANDATORY OFFER

1. INTRODUCTION

Shareholders of Phuthuma Nathi (the "**Shareholders**") are referred to the announcements released by the Company, the most recent of which was published on 23 July 2025, relating to the mandatory offer made by Groupe Canal+ S.A.S ("**Canal+**") to acquire all of the remaining shares in MultiChoice Group Limited ("**MCG**") not already owned by Canal+, excluding treasury shares (the "**Mandatory Offer**"), as well as the combined circular in connection with the Mandatory Offer dated 4 June 2024, which provides additional details of the Mandatory Offer ("**Mandatory Offer Combined Circular**").

1.1 As mentioned in these announcements and the Mandatory Offer Combined Circular, certain entities controlled by MCG in South Africa are subject to applicable laws in the electronic communications sector that regulate foreign control of commercial broadcasting services. MultiChoice Proprietary Limited ("**LicenceCo**"), an entity under the effective control of MCG, holds a commercial broadcasting licence issued in terms of the Electronic Communications Act 36 of 2005 (the "**ECA**"). Section 64 of the ECA places certain restrictions on foreign entities in respect of commercial broadcasting licensees, such as LicenceCo.

1.2 If the Mandatory Offer becomes unconditional, depending on the level of acceptances by MCG shareholders, Canal+ may acquire up to 100% of the issued ordinary shares in MCG, excluding treasury shares, through the Mandatory Offer. This will effectively result in the combination (the "**Combination**") of Canal+ with MCG and its subsidiaries ("**MCG Group**").

1.3 As a result of the Mandatory Offer, to ensure compliance with the foreign control restrictions mentioned above, it is necessary for MCG to undertake a reorganisation of certain of its South African operations, which are held through MultiChoice South Africa Holdings Proprietary Limited ("**MCSAH**"). The proposed reorganisation will be effected through a series of sequential inter-conditional transactions (the "**Reorganisation**").

1.4 As the Company holds a 25% interest in MCSAH, it will participate in certain steps of the Reorganisation, specifically MCSAH will (i) repurchase all of the shares held by the Company in MCSAH (the "**Disposal**") in terms of section 48 of the Companies Act, No. 71 of 2008 ("**Companies Act**"); and (ii) the Company will thereafter subscribe for shares in LicenceCo, Orbicom Proprietary Limited ("**Orbicom**") and MCSAH (together with the Disposal the "**PN Repurchase and Subscription"**). The terms of the PN Repurchase and Subscription do not require any cash payments by the Company to the MCG Group, save for a nominal subscription of R25.00 in respect of the shares in Orbicom and a nominal subscription of R1 544.14 in respect of a portion of the shares in LicenceCo. In accordance with the terms of the PN Repurchase and Subscription, the further details of which will be set out in the Circular (as defined in paragraph 10), LicenceCo will have sufficient authorised but unissued share capital available from which to issue the contemplated shares to the Company.

1.5 Following the PN Repurchase and Subscription, the Company will, among other things, become a direct shareholder of LicenceCo, MCSAH and Orbicom and will:

1.5.1 increase its economic interest[1] in LicenceCo from 25% to 27%;

1.5.2 retain its 25% economic interest in MCSAH, which is the holding company of the MCSAH Group (as defined in paragraph 2.1); and

1.5.3 increase its economic interest in Orbicom from 25% to 40% (being a 20% direct shareholding and a 20% indirect interest in Orbicom, which will be held via the Company's 25% direct shareholding in MCSAH).

1.6 If the Reorganisation is implemented, MCSAH will declare an additional dividend to its shareholders (namely the Company and MCG), which will enable the Company, in turn, to declare an extraordinary dividend of R343.75 million (excluding any taxes) to the Shareholders, equivalent to 25% of the dividend declared in the 2024 financial year. This is in addition to the annual dividend of R412.5 million (excluding any taxes) in respect of the 2025 financial year that was declared by the Company on 12 June 2025 (subject to shareholder approval at the AGM).

1.7 The Reorganisation will also result in certain historically disadvantaged persons (namely the Identity Partners Itai Consortium Proprietary Limited and 13th Ave Investments Proprietary Limited) and a workers' trust becoming shareholders of LicenceCo.

2. BENEFITS ARISING FROM THE COMBINATION

2.1 Whilst neither the Company nor any of the Shareholders are directly party to the Mandatory Offer, following the Reorganisation, the Company will retain, and in some instances increase, its interest in the relevant MCSAH Group entities outlined in paragraph 1.5 and LicenceCo. The rationale for the Combination, and the anticipated benefits thereof for MCSAH and its subsidiaries ("**MCSAH Group"**) and LicenceCo, are therefore relevant to Shareholders in considering the Reorganisation.

2.2 In its summary financial statements for the year ended 31 March 2025, which were released on 11 June 2025, MCG outlined that the MCG Group has been materially impacted over the past two financial years due to a combination of challenging macro-economic factors and structural industry changes in video entertainment, including the rise of piracy, streaming services and social media. During the preceding 24 months, the MCG Group lost 2.8 million active linear subscribers and had to absorb a R10.2 billion negative impact on its topline due to local currency depreciation against the US dollar. In the year ended 31 March 2025, MCG Group's overall revenue declined by R5.2 billion (9% year-on-year), and whilst the impact of this decline was partially offset by MCG Group’s significant effort in delivering cost savings the MCG Group's trading profit still declined by R3.8 billion (49% year-on-year). The MCG Group also benefited from an accounting gain on the sale of 60% of its share in its insurance business, NMS Insurance Services (SA) Limited. In South Africa, high unemployment, low growth and the ongoing effect of power supply disruptions, further contributed to an 8% year-on-year decline to 7.0 million active subscribers. Over the past four years, MultiChoice South Africa Proprietary Limited has lost 1.2 million subscribers due to the impact of various factors such as a normalisation of TV-viewing activity post COVID-19, the impact of loadshedding and the challenging macro-economic circumstances.

2.3 In light of these above factors, the independent board of the Company ("**Independent Board**") is of the view that, in the absence of a strengthened operating base and robust capital resources, the overall prospects of the MCSAH Group and its shareholders are likely to continue to deteriorate, thereby eroding value and jeopardising future returns for MCSAH’s shareholders, including the Company which owns 25% of MCSAH.

2.4 In the Mandatory Offer Combined Circular, Canal+ confirmed its vision for the Combination. Canal+ has an ambition to build a global entertainment leader, with Africa at

[1] As such term is defined in the Codes of Good Practice on Broad-based Black Economic Empowerment.

its heart, combining scale, complementary geographies, integrated and international reach with strong local roots. Africa's media and entertainment industry will continue to experience significant transformation as the continent rapidly adopts broadband and mobile internet, and a combined group would be better positioned to address key structural challenges and opportunities resulting from the progressive digitalisation and globalisation of the media and entertainment sector.

2.5 Based on its engagements with MCG, the Independent Board believes that the proposed Combination constitutes a timely intervention to avert the further decline of the value of the Company's investment in the MCSAH Group. In particular, the Independent Board believes that, as a result of the Combination:

2.5.1 the Company will maintain, and indeed enhance, its strategic position as a shareholder in MCSAH Group's South African media and broadcasting assets;

2.5.2 the MCSAH Group's ability to secure continuity of returns in the face of market disruption will be enhanced, thereby positioning Shareholders to benefit from the potential future growth of the business; and

2.5.3 Shareholders should also benefit from greater stability and more sustainable returns over time than would have been the case in the absence of the Combination.

3. BENEFITS OF THE REORGANISATION FOR SHAREHOLDERS

3.1 In addition to the potential benefits of the Combination for the MCSAH Group outlined in paragraph 2, the Reorganisation will have a number of direct benefits for Phuthuma Nathi.

3.2 The Reorganisation will result in an overall increase in the level of Phuthuma Nathi's shareholding in the MCSAH Group and LicenceCo as set out above, with no additional cash investment required from Phuthuma Nathi.

3.3 The Reorganisation will also result in better governance and improved transparency for Phuthuma Nathi and its Shareholders. In particular, as result of the Reorganisation, for the first time:

3.3.1 MCG will no longer itself have any rights to appoint directors to the Phuthuma Nathi board and, instead, directors will be elected by the Shareholders of Phuthuma Nathi, in accordance with the provisions of the relevant company laws, and Phuthuma Nathi (acting through the Phuthuma Nathi board) will have a right to appoint a director to the board of each of LicenceCo, MCSAH and Orbicom;

3.3.2 LicenceCo will cease to be controlled by the MCSAH Group and Phuthuma Nathi will become the shareholder with the highest percentage of voting rights in, and LicenceCo will be majority owned by historically disadvantaged persons and workers; and

3.3.3 LicenceCo will have a formalised dividend policy, which, when coupled with the financial underpinning from the commercial agreements that LicenceCo will enter into with the MCSAH Group as part of the Reorganisation, will benefit Phuthuma Nathi and therefore the Shareholders by creating a reliable and sustainable dividend flow.

3.4 If the Reorganisation is implemented, MCSAH will declare a further extraordinary dividend to its shareholders (namely Phuthuma Nathi and MCG), which will enable the Company, in turn, to declare an extraordinary dividend of R343.75 million (excluding any taxes) to Shareholders, equivalent to 25% of the dividend declared for the 2024 financial year. This is in addition to the annual dividend of R412.5 million (excluding any taxes) in respect of the 2025 financial year that was declared by the Company on 12 June 2025 (subject to shareholder approval at the annual general meeting).

3.5 The Independent Board has been informed by MCG that, taking into account the improved prospects for the MCSAH Group and the financial stability expected as a result of the Reorganisation and the Mandatory Offer, MCSAH has committed to the Phuthuma Nathi board that it will declare the following annual dividends in respect of the 2026 and 2027 financial years, if both of those transactions are implemented:

3.5.1 in respect of the 2026 financial year, a dividend of at least R400 million, of which R100 million is attributable to the Company, *pro-rated* for the portion of the financial year from the date on which the Mandatory Offer is implemented to the last day of the 2026 financial year (by way of example, if the Mandatory Offer is implemented on 1 October 2025, the dividend will be at least R200 million); and

3.5.2 in respect of the 2027 financial year, a dividend of at least R400 million, of which R100 million is attributable to Phuthuma Nathi.

3.6 These annual dividends will be declared at the appropriate time, after the end of the applicable financial year, subject only to compliance with (i) the requirements of the Companies Act and (ii) any applicable contractual limits, including those on making distributions, incurring debt and related covenants that apply to the MCSAH Group.

4. GENERAL MEETING

4.1 The Disposal constitutes a disposal of all or the greater part of the Company's assets or undertaking as contemplated in section 112 read with section 115 of the Companies Act, requiring the approval of Shareholders by way of a special resolution.[2]

4.2 Furthermore, as Phuthuma Nathi is a "ring-fenced" entity, its powers to undertake certain actions are limited in terms of its memorandum of incorporation ("**PN MOI**"). Accordingly, certain amendments will be required to be made to the PN MOI in order for Phuthuma Nathi to enter into the PN Repurchase and Subscription as part of the Reorganisation. It is proposed to amend the PN MOI to remove these restrictions by way of a special resolution. The further details of the contemplated amendments will be set out in the Circular (as defined in paragraph 10).

4.3 A general meeting of the Company for the purposes of proposing the special resolutions referred to above ("**Special Resolutions**") to the Shareholders will be convened on Tuesday, 26 August 2025 at 12:30 (or, if later, immediately following the conclusion or adjournment of the annual general meeting of the Company) ("**General Meeting**").

5. SUSPENSIVE CONDITIONS TO THE PN REPURCHASE AND SUBSCRIPTION AGREEMENT

5.1 On or about 1 August 2025, MCSAH, Orbicom, LicenceCo and Phuthuma Nathi entered into an agreement to effect the Reorganisation ("**PN Repurchase and Subscription Agreement**").The implementation of the PN Repurchase and Subscription Agreement is subject to the fulfilment or waiver (to the extent permissible) of the following suspensive conditions by no later than the date by which the suspensive conditions to the Mandatory Offer must be fulfilled or waived ("**Long Stop Date**"):

5.1.1 the implementation agreement concluded between MCSAH, MCSA and LicenceCo, which gives effect to the Reorganisation, becoming unconditional in accordance with their terms (save for any condition relating to the PN Repurchase and Subscription Agreement becoming unconditional);

5.1.2 each of the Special Resolutions being approved in the General Meeting by the requisite majority of the votes exercised thereon by Shareholders;

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[2] In this regard, 10.07% of the Shares will not be voted on this particular resolution by virtue of the provisions of section 115(4) of the Companies Act.

5.1.3 to the extent required in terms of section 115(3) of the Companies Act, a South African court granting its approval for the implementation of the Special Resolutions; and

5.1.4 the Company having not received a notice of objection, as contemplated in section 164(5)(a)(i) of the Companies Act, from any Shareholders.

5.2 The suspensive condition in paragraph 5.1.4 can be waived by MCSAH. The other suspensive conditions can be waived by agreement between the Company, MCSAH and the other parties to the PN Repurchase and Subscription Agreement.

5.3 In addition, it is a term of the PN Repurchase and Subscription Agreement that the PN Repurchase and Subscription will only be implemented if the Takeover Regulation Panel, established in terms of section 196 of the Companies Act, has issued, following the fulfilment or, where permitted, waiver of all the suspensive conditions, a compliance certificate to the Company in terms of section 119(4)(b) of the Companies Act on or before the Long Stop Date..

6. TIMING OF THE REORGANISATION

6.1 It is envisaged that certain steps in connection with the Reorganisation will be implemented once:

6.1.1 the regulatory approvals necessary to implement the Mandatory Offer (as set out in the Mandatory Offer Combined Circular) have been obtained (other than the approval of the Competition Tribunal of South Africa, which does not yet unconditionally approve the Mandatory Offer as such approval is conditional on the Reorganisation being implemented);

6.1.2 Identity Partners Itai Consortium Proprietary Limited and 13th Ave Investments Proprietary Limited has each finalised its arrangements with its funders so that it has sufficient funds to subscribe for shares to become a shareholder in LicenceCo, as contemplated in paragraph 1.7 (and such funding arrangements become unconditional);

6.1.3 certain other regulatory approvals (including the approval of the Prudential Authority) and third party consents (including the approval of the funders to the MCG Group) to implement the Reorganisation have been obtained or, if applicable, waived.

6.2 Given the matters referred to in paragraph 6.1, Shareholders will be informed by way of an announcement on the I-EX Website and the Counter Trading Page as to the precise date of implementation of the Reorganisation.

7. VOTING UNDERTAKINGS

The Company has received letters of support from Shareholders holding, beneficially owning or controlling in total 14.86% of the shares in the Company, to vote in favour of the Special Resolutions required to implement the Disposal, as follows:

Shareholder	**Number of Shares held on the date of provision of the letter of support**	**% of Shares held on the date of provision of the letter of support**
Letters of support		
Kagiso Venture Capital Proprietary Limited	4 028 987	5.97%
Unipalm International SA Proprietary Limited	1 439 360	2.13%

Zazi PN SPV Proprietary Limited	1 000 000	1.48%
K2014261124 South Africa (RF) Limited	960 412	1.42%
PN 109 (RF) Proprietary Limited	765 960	1.13%
PN 111 Proprietary Limited	667 279	0.99%
PN Corevision Proprietary Limited	377 300	0.56%
PN Corevision 2 Proprietary Limited	358 621	0.53%
Ata Investments Proprietary Limited	295 485	0.44%
Newshelf 1221 Proprietary Limited	141 277	0.21%
Total	1 034 681	14.86%

8. BENEFICIAL INTERESTS IN THE COMPANY

As at the date of this announcement, save as disclosed in paragraph 4.1, the board is not aware of any beneficial interest in the Company that is (i) held or controlled, directly or indirectly by MCSAH or persons (if any) acting in concert with MCSAH or (ii) in respect of which MCSAH or persons (if any) acting in concert with MCSAH hold an option to purchase.

9. *PRO FORMA* FINANCIAL EFFECTS

The Takeover Regulation Panel has granted the Company a dispensation from the obligation to include the financial effects of the PN Repurchase and Subscription on the Company in this announcement. The *pro forma* financial effects of the PN Repurchase and Subscription on the Company will be contained in the Circular (as defined below).

10. CIRCULAR

Full details of the Reorganisation and the PN Repurchase and Subscription will be included in a circular to be published by the Company and will include a notice of general meeting and form of proxy ("**Circular**"). The Circular will be distributed to Shareholders on or about Monday, 4 August 2025.

11. RECOMMENDATION AND INDEPENDENT EXPERT OPINION

11.1 The Company has constituted the Independent Board as required by Chapter 5 of the Companies Regulations, 2011 ("**Takeover Regulations**"). The Independent Board comprises of Mandla Langa, Peter Zimri and Dipuo Pule.

11.2 In accordance with the Takeover Regulations, the Independent Board has appointed BDO Corporate Finance Proprietary Limited as the independent expert ("**Independent Expert**") to assess the terms of the Disposal pursuant to the PN Repurchase and Subscription, and to provide independent, external advice in relation to the fairness and reasonableness thereof, thereby enabling the Independent Board to make appropriate recommendations to Shareholders ("**Independent Expert Report**").

11.3 Having considered the terms and conditions of the Disposal pursuant to the PN Repurchase and Subscription and based on the information referred to in the Independent Expert's Report, the Independent Expert has concluded that the terms and conditions of the Disposal pursuant to the PN Repurchase and Subscription are both fair and reasonable to Shareholders.

11.4 For the purposes of reaching its own opinion regarding the Disposal as contemplated in Regulation 110(3)(b) of the Takeover Regulations, the Independent Board has relied on the valuations performed by the Independent Expert.

11.5 The Independent Board is not aware of factors that are difficult to quantify, or are unquantifiable, that need to be taken into account in forming its opinion, save as set out in paragraphs 2 and 3.

11.6 The Independent Board has considered the terms and conditions of the Disposal and material information relevant to the Disposal, and, after due consideration of the Independent Expert Report, is of the unanimous opinion that the Disposal is fair and reasonable to Shareholders. Accordingly, the Independent Board unanimously recommends that Shareholders vote in favour of the Special Resolutions set out in the Notice of General Meeting.

12. RESPONSIBILITY STATEMENTS

The Independent Board, individually and collectively, accepts full responsibility for the accuracy of the information contained in this announcement. In addition, the Independent Board confirms that to the best of its knowledge and belief, the information contained in this announcement, is true and correct and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein, and that all reasonable enquiries to ascertain such information have been made.

Randburg
4 August 2025

Legal Advisors to Phuthuma Nathi
TGR Attorneys Inc

Independent Expert
BDO Corporate Finance Proprietary Limited