

Canal+ SA
4 February 2025

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Canal+ SA

(the "**Company**")

UPDATE ON CANAL+ MANDATORY OFFER

The Company announces that it, together with MultiChoice Group Limited ("**MultiChoice**"), has today released a joint announcement on the Stock Exchange News Service, being the regulatory news service provided by the Johannesburg Stock Exchange ("**JSE**"), the JSE being the exchange on which MultiChoice is listed.

The joint announcement provided as follows:

- *Canal+ and MultiChoice announce step forward in transaction process with proposed structure*
- *South African broadcasting licensed entity to be majority owned by Historically Disadvantaged Persons (HDPs), including Phuthuma Nathi, Identity Partners Itai Consortium and Afrifund Consortium*
- *Workers Trust to be established to benefit employees*
- *Phuthuma Nathi Board of Directors has provided in-principle support for the transaction, which will be assessed by the Phuthuma Nathi Independent Board*

MULTICHOICE GROUP LIMITED (Incorporated in the Republic of South Africa)

(Registration number: 2018/473845/06) JSE and A2X Share code: MCG

ISIN: ZAE000265971

("MultiChoice") GROUPE CANAL+ S.A.

(a French société anonyme registered with the Registre du Commerce et des Sociétés in Nanterre, France)

(Number 420.624.777)

("Canal+")

JOINT ANNOUNCEMENT – PROGRESS UPDATE ON CANAL+ MANDATORY OFFER

INTRODUCTION

The shareholders of Canal+ and holders of MultiChoice ordinary shares ("MCG Shareholders") are referred to:

- *the joint firm intention announcement released by Canal+ and MultiChoice on the Stock Exchange News Service of the JSE Limited and the A2X News Service on 8 April 2024; and*
- *the combined circular published by Canal+ and MCG dated 4 June 2024 ("Combined Circular") setting out the terms and conditions of the mandatory offer by Canal+ ("Offer") to acquire all of the issued ordinary shares of MCG not already owned by Canal+, excluding treasury shares, from MCG Shareholders for a consideration of ZAR125.00 per share, payable in cash; and*
- *the joint announcement released by Canal+ and MCG on the Stock Exchange News Service of the JSE Limited and the A2X News Service on 30 September 2024, recording that the parties had made a joint merger control filing pertaining to the Offer to the Competition Commission and were engaging with the Independent Communications Authority of South Africa.*

The purpose of this announcement is to provide Canal+ and MultiChoice Shareholders with an update on the progress of the Offer.

POST-TRANSACTION STRUCTURE

The Combined Circular stated that: "In light of the duty on Canal+ to make a mandatory offer for the MultiChoice Shares, Canal+ and MultiChoice are in the process of assessing and finalising suitable structuring options and potential transactions, which may be undertaken by the MultiChoice Group on or shortly before the Closing Date to ensure compliance with the applicable limitations on foreign control while also maintaining MultiChoice's Broad-Based Black Economic Empowerment (BBBEE) credentials."

Canal+ and MultiChoice are pleased to inform shareholders that they have concluded their discussions regarding their intended post-transaction structure of MultiChoice.

Canal+ and MultiChoice have engaged with the Board of Directors of Phuthuma Nathi, which has given in-principle support for the transaction. An Independent Board of Phuthuma Nathi will be constituted to review and consider the necessary formal proposals in accordance with the relevant regulations.

These developments mark further important steps forward in the transaction process.

The key features of the intended post-transaction structure will be as follows:

- *The MultiChoice Group will be restructured so that the current holder of the broadcasting licence in South Africa and the entity which contracts with South African subscribers, MultiChoice (Pty) Ltd ("Licence Co"), will be carved out of the MultiChoice Group and will become an independent entity. The remainder of the group's video entertainment assets will remain part of the MultiChoice Group.*
- *LicenceCo will continue to hold the subscription broadcasting licence in South Africa. It will continue to contract with MultiChoice's South African subscribers.*
- *LicenceCo will be majority owned by Historically Disadvantaged Persons (HDPs):*
 - Phuthuma Nathi, which will ultimately hold a 27% economic interest in LicenceCo;*
 - two well established black owned and managed companies, Identity Partners Itai Consortium and Afrifund Consortium, whose highly experienced leaders bring with them great commercial and industry knowledge; and*
 - a Workers' Trust (ESOP).*
- *MultiChoice Group's shareholding in LicenceCo will ultimately give it a 49% economic interest and 20% share of voting rights.*

- *MultiChoice Group will also retain its existing 75% direct interest in MultiChoice South Africa, which will exclude LicenceCo. Phuthuma Nathi will similarly retain its existing 25% interest in MultiChoice South Africa.*
- *LicenceCo will enter into various commercial agreements with MultiChoice Group subsidiaries in relation to the services currently provided to LicenceCo by other MultiChoice Group entities. These relate to, among other things, the provision of content, technology, subscriber management and support and other functions.*
- *The transaction will not lead to any disruption for LicenceCo's South African viewers, who will continue to access its services as normal. In time those subscribers will benefit from the additional content and technology investments envisaged by the MultiChoice Group, in its capacity as supplier to LicenceCo.*

Canal+ and MultiChoice are confident that the envisaged structure meets the requirements of all applicable laws, including the restrictions on foreign ownership and control of broadcasting licences contained in the Electronic Communications Act, 2005.

REGULATORY PROCESSES

The LicenceCo structure described above was submitted to the South African Competition Commission as part of the filings made on 30 September 2024 and is being considered by the Commission. It will, along with the attendant shareholder transactions, be finalised in due course upon receiving the necessary approval of the relevant authorities.

The transaction remains subject to regulatory review across numerous jurisdictions, including South Africa. It will also be assessed by the Independent Board of Phuthuma Nathi, following the in-principle support given by the Phuthuma Nathi Board to the proposed transaction.

Maxime Saada, CEO of Canal+ said:

"This transaction is an opportunity to create a unique global media company, with a strong presence across Africa, with the scale, expertise and creativity to compete and partner with the largest players within the media sector and beyond.

I am confident that the contemplated post-transaction structure will comply with South Africa's laws and regulations. Canal+ has placed Broad-Based Black Economic Empowerment at the heart of the transaction and is delighted to welcome in this potential structure, alongside Phuthuma Nathi, new sound HDP shareholders and broadened employee ownership.

"We remain committed to deliver on our ambition to bring MultiChoice and Canal+ together, with today's announcement representing another step forward."

Calvo Mawela, CEO of MultiChoice Group said:

"We are very pleased about the progress that has been made in relation to this transaction. In a fast-evolving industry that is becoming increasingly competitive, the opportunity to combine our efforts to increase scale and bring our subscribers an even better offering is something that continues to excite us.

"MultiChoice has a long and proud history of creating significant value for the shareholders of Phuthuma Nathi, one of the most successful BBBEE schemes in South Africa. To continue this journey with Phuthuma Nathi, while at the same time broadening the BBBEE participation in our business through new partnerships that also involves our staff, is an inspiring prospect."

RESPONSIBILITY STATEMENTS

The Independent Board of MultiChoice accepts responsibility for the information contained in this announcement, to the extent that it relates to MultiChoice, and confirms that, to the best of its knowledge and

belief, such information relating to MultiChoice is true and that this announcement does not omit anything likely to affect the importance of such information.

The directors of Canal+ accept responsibility for the information contained in this announcement, to the extent that it relates to Canal+, and confirm that, to the best of their knowledge and belief, such information relating to Canal+ is true and that this announcement does not omit anything likely to affect the importance of such information.

Randburg

4 February 2025

-ENDS-

ENQUIRIES

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