



**CAXTON & CTP** publishers & printers **LIMITED**

**Caxton and CTP Publishers and Printers Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1947/026616/06)

Share code: CAT ISIN: ZAE 000043345

("Caxton" or "the company")

## DISPOSAL OF MINORITY INTERESTS IN OCTOTEL PROPRIETARY LIMITED ("OCTOTEL") AND RSAWEB PROPRIETARY LIMITED ("RSAWEB") (COLLECTIVELY "THE DISPOSAL")

### 1. INTRODUCTION

Shareholders are advised that Caxton has entered into agreements dated **9 October 2020** in terms of which it will, subject to the conditions precedent referred to in paragraph 4 below, implement the Disposal. Full details of the Disposal are set out in this announcement.

### 2. RATIONALE FOR THE DISPOSAL

Caxton's initial investment in RSAWeb in 2013 was primarily intended to strengthen Caxton's relationship with its network provider, and to provide RSAWeb with access to capital for expansion. In 2016, Caxton further invested in Octotel and provided that business with capital to enable it to become one of the largest fibre-to-the-home operators in the Western Cape. Both businesses have grown beyond expectations and, on receiving an offer from Neoma Africa Fund, a fund managed by the Actis Group (a leading growth and emerging market investor) ("the Purchaser"), the company agreed to support the sale of these businesses. They represent non-core investments for the company and need focused shareholder investors to take them to the next level.

### 3. DETAILS OF THE DISPOSAL

- Caxton will dispose of its shares and claims on loan account in Octotel and RSAWeb ("the Disposal Assets") to the Purchaser for an estimated aggregate consideration of R493 million (R433 million in respect of the shares and R60 million in respect of the repayment of the claims on loan account). The consideration will be payable in cash on delivery of the share certificates and other relevant documentation relating to the Disposal Assets to the Purchaser. The fair value of the Disposal Assets is R493 million.
- The effective date of the Disposal is expected to be 15 December 2020.
- The agreements governing the Disposal contain limited warranties that are usually found in agreements regarding transactions of this nature.
- The proceeds of the Disposal will be added to the existing cash reserves of the company, pending decisions as to effective utilisation of such funds.

### 4. CONDITIONS PRECEDENT

The Disposal is, *inter alia*, subject to:

- the approval by the Johannesburg Stock Exchange ("the JSE") of the circular to shareholders referred to in paragraph 7 below;
- the approval by any additional regulatory authorities which may be required; and
- the approval of the Disposal by the shareholders of the company in general meeting as indicated in paragraph 6 below.

### 5. PRO FORMA FINANCIAL EFFECTS OF THE DISPOSAL

The table below sets out the *pro forma* financial effects of the Disposal on the headline earnings per share, earnings per share, net asset value per share and net tangible asset value per share in Caxton, based on the published reviewed provisional results of the company for the financial year ended on 30 June 2020. The financial effects are the responsibility of the directors of the company, are prepared for illustrative purposes only and, because of their nature, may not fairly present the financial position of the company, changes in its equity or the results of its operations or cash flows after the Disposal.

	Notes	Before the Disposal (reviewed 30 June 2020)	After the Disposal ( <i>pro forma</i> 30 June 2020)	Percentage increase/ (decrease)
Headline earnings per share (cents)	1	21,2	22,9	7,6%
Earnings per share (cents)	1	-14,8	68,8	565,0%
Net asset value per share (cents)	2	1 384	1 466	6,0%
Net tangible asset value per share (cents)	2	1 351	1 434	6,1%
Number of shares in issue		377 861 111	377 861 111	-

#### Notes:

- The headline earnings and earnings per share in the "After the Disposal" column have been based on the assumption that the Disposal had been effective for the year ended on 30 June 2020.
- The net asset value and net tangible asset value per share in the "After the Disposal" column has been based on the assumption that the Disposal was effective on 30 June 2020 and that all transaction costs were paid and required write-downs and provisions were made on the effective date.

### 6. CATEGORISATION OF THE DISPOSAL

The Disposal is categorised as a Category 1 transaction in terms of the Listings Requirements of the JSE and therefore requires approval by the shareholders of Caxton in general meeting.

### 7. CIRCULAR TO SHAREHOLDERS

A circular to shareholders convening the general meeting of shareholders of the company required to implement the Disposal is in the course of preparation and will be despatched to shareholders within 60 days of this announcement.

By order of the board.  
Johannesburg

12 October 2020

Sponsor



Auditors and reporting accountants



Attorneys



Financial Advisor



ince