

Alviva Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number 1986/000334/06
Share Code: AVV ISIN: ZAE000227484
("Alviva" or "the Company")

REPURCHASE OF DCT HOLDINGS (RF) (PTY) LIMITED ("DCT") ORDINARY SHARES BY DCT IN TERMS OF THE COMPANIES ACT

1. Introduction

Shareholders are hereby advised that DCT, a subsidiary of Alviva, has on 2 March 2022, entered into a share repurchase agreement ("Agreement") with Ledibogo (RF) Proprietary Limited ("Ledibogo") to repurchase from Ledibogo 187 ordinary shares in DCT ("Sale Shares") (being 20.96% of the issued ordinary shares of DCT), for a purchase consideration of R111,175,024 ("Purchase Consideration"), (the "Repurchase").

The Repurchase will be effective on the first business day following the date on which the last of the Conditions Precedent referred to in paragraph 4 hereof, has been fulfilled or waived, as the case may be ("the Closing Date"). A scheme of arrangement will be triggered between DCT and its shareholders as the Repurchase constitutes more than 5% of the issued share capital of DCT. The Repurchase will be subject to the requirements of sections 46, 48, 114 and 115 of the Companies Act 71 of 2008 ("the Companies Act").

2. Terms of the Repurchase and financial implications

On 28 September 2017 and 6 December 2018, Ledibogo subscribed for 106 and 81 DCT ordinary shares, respectively, for an aggregate subscription price of R111,175,024, which subscription price was funded by DCT by way of two interest free loans advanced to Ledibogo in terms of written loan agreements ("the Loan Agreements").

The Purchase Consideration payable in terms of the Agreement is equal to the total subscription prices paid by Ledibogo for the Sale Shares. The Purchase Consideration shall be deemed to be discharged by DCT on the Closing Date by mutual set off against the corresponding liability of Ledibogo to DCT in terms of the Loan Agreements.

Prior to the implementation of the Repurchase, Alviva holds 55.38% and Ledibogo holds 44.62% of the

issued ordinary share capital of DCT. After the implementation of the Repurchase and with effect from the Closing Date, Alviva will hold 70.07% and Ledibogo will hold 29.93% of the issued ordinary share capital of DCT.

The Repurchase will not have any material financial implications on DCT or Alviva. The Purchase consideration will be set-off against the corresponding liability of Ledibogo to DCT, with no cash flow implications. As at 31 December 2021, the unaudited profit after tax of DCT was R136 950 190, and the unaudited net asset value of DCT was R1 009 947 601. These unaudited figures had been extracted from the unaudited management accounts for the six months ended 31 December 2021 prepared on an IFRS basis and approved by the directors of the company.

3. Rational of the Repurchase

Ledibogo has been unable to repay the loans under the Loan Agreements. The main reason is that there have been insufficient dividends declared and paid by DCT to its ordinary shareholders and it is unlikely, given the current funding structure which must be serviced by DCT by way of preference dividends, that Ledibogo will be in a financial position to repay the loans any time soon.

The recent introduction of black industrialists as direct shareholders of Alviva will have the effect that the Repurchase will not impact negatively on the BEE status of Alviva and DCT.

4. Conditions precedent

The Repurchase is subject to the fulfilment of the following principal outstanding conditions precedent ("Conditions Precedent") by 31 March 2022:

- a. the board of directors of DCT shall have passed resolutions in accordance with sections 46(1)(a)(ii), 48(2)(a) and 114(1)(e) of the Companies Act, authorising the company to conclude and implement the repurchase; and 46(1)(c) of the Companies Act, acknowledging that it has applied the solvency and liquidity test contemplated in section 4 of the Companies Act and reasonably concluded that the company will satisfy such test immediately after implementing the Repurchase;
- b. the shareholders of DCT shall have passed a special resolution in terms of sections 48(8)(b) and 115(2) as read with section 115(4) of the Companies Act, authorising the company to conclude and implement the Repurchase;
- c. the board of directors of Ledibogo shall have passed a resolution authorising Ledibogo to enter into the Agreement and to sell the Sale Shares to DCT;

- d. an independent expert, as contemplated in section 114(2) of the Companies Act, shall have prepared a report in respect of the Repurchase and submitted it to the DCT board; and caused it to be distributed to all the holders of DCT's securities in accordance with section 114(3) of the Companies Act;
- e. Alviva shall have published a SENS announcement advising the shareholders of Alviva of the Repurchase in terms of the JSE Limited Listings Requirements and shall have complied with all applicable requirements in that regard;
- f. Alviva shall have consented in writing to Ledibogo selling the Sale Shares to DCT in terms of the Agreement and waived its pre-emptive rights in terms of clause 31 of the memorandum of incorporation of DCT, to acquire the Sale Shares; and
- g. the written consent of Absa Bank Limited, in its capacity as the holder of the Class B preference shares in the issued share capital of DCT, authorising DCT to conclude and implement the Repurchase in terms of the Agreement is obtained.

5. Independent Expert

Mazars Corporate Finance Proprietary Limited was appointed by DCT, (with the approval also of Ledibogo) as the independent expert to prepare a report in relation to the Repurchase in accordance with sections 114(2) and 114(3) of the Companies Act ("**Report**"). In their Report they concluded that the Repurchase is fair and reasonable to the shareholders of DCT. The report is open for inspection at the Company's registered office for a period of 30 calendar days from the date of this announcement.

6. Classification of the Repurchase

The Repurchase is classified as a Category 2 transaction in terms of the JSE Limited Listings Requirements, and therefore does not require Alviva shareholder approval.

Neither Ledibogo nor its shareholders nor its directors are related parties as defined by the JSE Limited Listings Requirements.

Legal Advisor to Alviva and DCT: Tugendhaft Wapnick Banchetti & Partners

Independent Expert: Mazars Corporate Finance (Pty) Ltd

Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd