

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

(Incorporated in the Republic of South Africa)

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Share Code: CAT ISIN: ZAE000043345

PRESS RELEASE – THE REASONS WHY CAXTON VOTED AGAINST MPACT NON-EXECUTIVE DIRECTORS’ PAY

Mpact CEO Bruce Strong told investors at the company’s interim results presentation on Wednesday, 10 August 2022, that despite attempts to engage with Caxton in order to understand its reasons for voting down NED remuneration at the recent Mpact AGM, the Mpact board has been unable to find common ground with Caxton, because Caxton’s “conduct is underpinned by a different motive”. The inference is clear: according to Mr. Strong, Caxton is acting improperly and contrary to the interests of Mpact, for its own ulterior purposes.

Caxton takes issue with Mr. Strong’s statement, which is denied. As the largest shareholder in Mpact with a 34% shareholding, having invested some R700m in Mpact shares, Caxton is vitally interested in Mpact’s success. Far from having an ulterior motive, Caxton’s stated intention to acquire control of Mpact has been met with inexplicable hostility, not only from Mpact, but also from Golden Era, which is Mpact’s competitor, major customer, co-accused in a cartel case which has been under investigation by the Competition Commission since 2016, and more recently a 10% shareholder in Mpact.

Mpact has been fully advised of Caxton’s concerns around NED pay. Caxton considers that the Mpact board has not complied with its fiduciary duties, in that it has, *inter alia*, failed to disclose adequate details of the pending cartel case to shareholders and the risks associated therewith, notwithstanding that Mpact has admitted to operating a long-standing cartel with New Era, a subsidiary of Golden Era. The Mpact board has also failed to disclose publicly all the material risks of a potential Caxton merger in Mpact’s 2021 IAR risk matrix.

In soliciting support from Golden Era to oppose a possible Caxton merger, the Mpact board has filed secret representations and affidavits before the Competition Commission and Tribunal, thereby exacerbating concerns held by Caxton that Mpact and Golden Era remain involved in the vestiges of their long-standing cartel. By order of the Tribunal, this Mpact secret information has recently been disclosed on a restricted basis to the Caxton Chairman only, who now considers that the Mpact board has also failed in its duty to disclose material price sensitive information to all Mpact shareholders (including Caxton). In failing to make proper disclosure of price sensitive information pertaining to Mpact (which failure is ongoing) the Mpact board has displayed gross misjudgment.

Caxton is seeking legal advice as to remedies, including potential action under section 165 of the Companies Act 2008, against the Mpact board and potential reporting of its conduct to the JSE for investigation.

In the interest of all shareholders, and in line with its stated intention regarding possible control of Mpact, Caxton remains committed to engaging with the Mpact board, and will be able to do so more meaningfully once Mpact has provided Caxton and all other shareholders with access to the secret information it is clearly so reluctant to disclose.

Paul Jenkins (paul@jenkins.co.za)

Non-Executive Chairman

Caxton and CTP Publishers and Printers Limited

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