

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED
("Caxton" or "the Company")
(Incorporated in the Republic of South Africa)
(Registration number 1947/026616/06)
Share Code: CAT ISIN: ZAE000043345

RULINGS IN RELATION TO MPACT LIMITED ("MPACT"):
COMPETITION TRIBUNAL ("THE TRIBUNAL");
TAKEOVER REGULATION PANEL ("THE PANEL"); AND
JOHANNESBURG STOCK EXCHANGE ("THE JSE")

Caxton is now able to refer its shareholders to further information disclosed by Mpact since Caxton last provided a SENS update on 6 October 2022.

Mpact SENS Announcement

On 7 October 2022, Mpact published its own SENS announcement, advising that for undisclosed reasons, Mpact shareholders should not rely on certain comments in the media or on the above Caxton SENS announcement. Mpact shareholders were told that Mpact would release a detailed announcement about the above matters, "*in the near future*". As at the time of publishing this update, a full week has elapsed but no such disclosure has been forthcoming. Caxton has complained to the JSE that the Mpact SENS announcement is an abuse of the JSELR. Caxton is satisfied that it has provided its shareholders with an accurate update, contrary to the unsubstantiated position adopted by Mpact.

Enforcement Proceedings

This update relates to the status of the 'enforcement proceedings' brought by Mpact against Caxton and its Chairman in respect of an earlier interlocutory Tribunal order, granted under section 45 of the Competition Act and pursuant to which, certain limited information of Mpact was disclosed to Mr Jenkins. Mpact had sought to obtain a further order enforcing the prior order.

The interdicts and enforcement relief claimed by Mpact in the 'enforcement proceedings' have now been withdrawn by Mpact, according to a further non-confidential affidavit filed on 12 October 2022 ("the Withdrawal affidavit").

Customer Flight

In this new, non-confidential Withdrawal affidavit, Mpact publicly admits for the first time to the issue of customer flight by Golden Era. Shareholders will recall that the final published reasons for the Tribunal's recent decision to refer Caxton's request for a Rule 28 Mpact merger filing back to the Commission, also referred to this customer flight issue. However, in its decision, contrary to the submissions made by Mpact, the Tribunal confirmed customer flight is an irrelevant consideration for the purposes of Caxton's Rule 28 merger filing application. Thus, although the Golden Era customer flight issue is now in the public domain and admitted by Mpact, it is not a relevant consideration for the purposes of Mpact's and Golden Era's opposition to a Caxton merger filing.

Alleged Breach of Confidentiality

According to the Withdrawal affidavit, its confidential information is now in the public domain, but solely because Caxton and Mr Jenkins breached Mpact's and Golden Era's confidentiality claims. According to Mpact, Caxton and Mr Jenkins have contravened the above Tribunal order and committed criminal offences under the Competition Act- accordingly, Mpact alleges, they must be ordered to pay a penalty of 10% of turnover and /or a R10 000 fine and/or be imprisoned for up to six months. Caxton's turnover for 2022 was in excess of R5.9 billion.

Caxton and Mr Jenkins deny any breach of a Tribunal Order or the Competition Act and point out, *inter alia*, that it was Mpact itself that disclosed the contested information to Caxton on a non-confidential basis. Mpact has misconstrued the extent of confidentiality protection afforded to it and Golden Era under the Competition Act. The Tribunal reasons in the Rule 28 review proceedings and its own website also publicly reflect the information which Mpact has sought to maintain as confidential.

Discrepancy in Mpact's Customer Flight claims

Mpact has made various claims concerning the alleged confidential information that it wished to withhold from Caxton and the market. By way of example, Mpact's 19 August 2022 founding affidavit in the 'enforcement proceedings' reads, in the relevant (now non-confidential) paragraph -

"Golden Era has thus informed Mpact that it will take immediate steps [REDACTED] [REDACTED] to remove its custom from Mpact, if Caxton makes a merger filing."

In its latest Withdrawal affidavit filed this week, Mpact's confidential information has now been described as-

"The essence of the confidential information is that Golden Era, Mpact's largest external customer, had stated that it would take steps to move its custom from Mpact if Caxton makes a merger filing."

Mpact further states on oath in the Withdrawal affidavit that-

"Golden Era actually stated that it would immediately take steps to secure alternative supply, but that it would take a number of years for it to be in a position to withdraw its custom altogether".

The customer flight issue has regressed from "take immediate steps" (which is the same as forthwith) to simply "take steps" (omitting the adjective connoting timing) to "immediately take steps" (which allows

for the argument that the steps will be implemented over an extended period). The contradiction is clear - the taking of "immediate steps" to withdraw custom is vastly different to the latest explanation from Mpact that the steps will begin "immediately" but will take a number of years to implement.

PSI

Caxton, as Mpact's largest shareholder, awaits "the detailed announcement in the near future" as to the current status of Golden Era's withdrawal and flight. Caxton will continue to seek information about when the "devastating impact" on Mpact's business will be experienced, if its largest customer withdraws its business pursuant to a Caxton merger filing. Caxton contends that this information is self-evidently price sensitive. It also represents a "poison pill" in respect of any potential merger filing by Caxton, which "poison pill" Mpact has sought to conceal from Caxton and the market. These considerations are material matters for the Caxton board to consider and may have an effect on shareholders.

Responsibility

The Caxton board accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement is true and that this announcement does not omit anything that is likely to affect the import of such information.

Paul Jenkins (paul@jenkins.co.za)
Non-Executive Chairman
Caxton and CTP Publishers and Printers Limited

14 October 2022

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