
ITALTILE LIMITED
Incorporated in the Republic of South Africa
(Registration number: 1955/000558/06)
Share code: ITE ISIN: ZAE000099123
("Italtile" or "the Company")

SPECIFIC SHARE REPURCHASE FROM FOUR ARROWS INVESTMENTS 256 PROPRIETARY LIMITED

Shareholders are referred to the announcement released on SENS on 8 March 2018 ("**Announcement**") relating to the black economic empowerment transaction concluded by Italtile in 2007, the salient details of which were disclosed in a circular dated June 2007 (the "**Transaction**").

The Announcement referred to a specific share repurchase of 25 000 000 ordinary shares in Italtile, by Italtile from Four Arrows Investments 256 Proprietary Limited ("**Four Arrows**") (the "**First Specific Repurchase**").

Shareholders are further referred to the announcement released on SENS on 30 December 2020, which referred to a specific share repurchase of 3 500 000 ordinary shares in Italtile, by Italtile Ceramics Proprietary Limited ("**Italtile Ceramics**"), a wholly owned subsidiary of Italtile, from Four Arrows ("**Second Specific Repurchase**").

Subsequently, and in accordance with the terms of the Transaction, Four Arrows submitted another share repurchase offer to Italtile on 28 November 2022 (the "**Final Share Repurchase Offer**"), in terms of which Italtile or its nominee will be entitled to repurchase the remaining 6 700 000 ordinary shares in Italtile (the "**Repurchase Shares**") held by Four Arrows (the "**Final Specific Repurchase**"). The Repurchase Shares are offered at a price per share based on 83% of the volume weighted average price at which an Italtile share traded on the JSE Limited ("**JSE**") for the 10 trading days immediately preceding the date of receipt of the Final Share Repurchase Offer by Italtile, being R11.51 per Repurchase Share. This equates to a total consideration of R77 090 206.64 being payable for the Repurchase Shares (the "**Repurchase Consideration**"). Payment of the Repurchase Consideration shall be settled in cash.

The First Specific Repurchase, the Second Specific Repurchase and the Final Specific Repurchase (collectively, the "**Specific Repurchases**") were approved by Italtile shareholders ("**Shareholder Approval**") by way of a separate special resolution passed at the general meeting of Italtile shareholders held on 12 July 2007. In terms of the Shareholder Approval, the Specific Repurchases were conditional upon:

- the board of directors of Italtile (the "**Board**") appointing an independent professional expert, acceptable to the JSE, to prepare an opinion, in accordance with Schedule 5 of the JSE Listings Requirements, as to whether the consideration proposed to be paid for the repurchase of the Italtile shares in question is fair to the shareholders of Italtile; and
- such independent professional expert determining that such consideration is fair to the shareholders of Italtile.

The Shareholder Approval permitted Italtile to acquire the Repurchase Shares through any of its subsidiaries. In this regard, the Company has nominated Italtile Ceramics, a wholly owned subsidiary of the Company, who has accepted the nomination and who will, after acquiring the Repurchase Shares, hold the Repurchase Shares as treasury shares.

In addition, the acceptance of the Final Share Repurchase Offer by Italtile Ceramics is conditional upon the following:

- the Board providing the requisite consents and authorisations in terms of or in connection with the Transaction; and
- the application by the Board (and the board of directors of Italtile Ceramics) of the solvency and liquidity test as set out in section 4 of the Companies Act, 71 of 2008, as amended, (the "**Solvency and Liquidity Test**") and the Board (and the board of directors of Italtile Ceramics) reasonably concluding that both the Company and Italtile Ceramics will, immediately after Italtile Ceramics

makes payment of the Repurchase Consideration to Four Arrows, satisfy the Solvency and Liquidity Test.

All the aforementioned conditions were fulfilled, and Italtile Ceramics has unconditionally accepted the Final Share Repurchase Offer on 14 December 2022. Accordingly, the Repurchase Consideration will be paid by Italtile Ceramics to Four Arrows on or about 19 December 2022.

Johannesburg
15 December 2022

Sponsor
Merchantec Capital