

REX TRUEFORM GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1937/009839/06)

JSE share code: RTO ISIN: ZAE000250387

JSE share code: RTN ISIN: ZAE000250395

JSE share code: RTOP ISIN: ZAE000250403

(“Rex Trueform” or the “Company” or the “Group”)



REX TRUEFORM
GROUP LIMITED

ACQUISITION OF A 35% STAKE IN INTERACTIVE TELEVISION AFRICA PROPRIETARY LIMITED BY TELEMEDIA PROPRIETARY LIMITED (“TELEMEDIA”), A SUBSIDIARY OF REX TRUEFORM GROUP LIMITED

1. INTRODUCTION

- 1.1 Shareholders are advised that Telemedia Proprietary Limited (“**Telemedia**”) has entered into sale of shares agreements with The Three Basset Holdings Proprietary Limited (“**TBH**”) (the “**TBH Sale Agreement**”) and Saalbach Holdings Proprietary Limited (“**Saalbach**”) (the “**Saalbach Sale Agreement**”) in terms of which Telemedia will acquire a 35% stake (the “**sale equity**”) in Interactive Television Africa Proprietary Limited (“**ITV Africa**”), for an aggregate purchase consideration of R18,000,000.00 (the “**consideration**”), which consideration will be satisfied in cash. The sole shareholder of TBH is Gert Roelof Furstenberg and the sole shareholder of Saalbach is Thomas Shaun McCarthy.
- 1.2 The effective date of the TBH Sale Agreement will be within 5 business days following the date on which all conditions precedent have been met or waived, as the case may be (“**TBH unconditional date**”).
- 1.3 The effective date of the Saalbach Sale Agreement will be within 5 business days following the date on which all conditions precedent have been met or waived, as the case may be (“**Saalbach unconditional date**”).

2. NATURE OF THE BUSINESS OF ITV AFRICA AND BACKGROUND

ITV Africa is an automated sports coverage company that uses and distributes products, software and hardware technologies underpinned by artificial intelligence for sports broadcasts and streaming services. Founded in 2020, the entity operates across Africa and is the leading provider of AI cameras for the coverage of school sports in South Africa.

3. RATIONALE FOR THE TRANSACTION

The board of the Company has been looking for further opportunities to diversify the portfolio of businesses in the Group and the acquisition of a stake in ITV Africa represents a further step in the process of this diversification, as well as the expansion of the Group’s Media and Broadcasting segment.

4. SALIENT TERMS OF THE AGREEMENT

- 4.1 The acquisition of 35% in ITV Africa comprises the following:
 - 4.1.1 From TBH, 20 ordinary no par value shares (constituting 20% of the entire issued ordinary shares in ITV Africa) and all of its claims against ITV Africa of whatsoever nature or description; and
 - 4.1.2 From Saalbach, 15 ordinary no par value shares (constituting 15% of the entire issued ordinary shares in ITV Africa) and all of its claims against ITV Africa of whatsoever nature or description.

5. PAYMENT OF THE CONSIDERATION

The aggregate purchase consideration payable is R18,000,000.00, which purchase consideration shall be settled by way of a cash payment by Telemedia of R10,000,000 to TBH and R8,000,000 to Saalbach respectively.

6. CONDITIONS PRECEDENT

The transaction is subject to the following conditions precedent:

- 6.1 the board of directors of ITV Africa approves the transfer of the ITV Africa shares and notes the cession of any claims against it from TBH and Saalbach, respectively, to Telemedia;
- 6.2 the board of directors of Telemedia approves acquisition of the sale equity;
- 6.3 the board of directors of each of TBH and Saalbach approve the disposal of the sale equity;
- 6.4 TBH, Saalbach and each of the remaining shareholders of ITV Africa waiving any pre-emptive rights that they might have to the sale equity;
- 6.5 any and all service and consultancy agreements between ITV Africa (on the one hand) and TBH and any party related to TBH (on the other) are cancelled on terms satisfactory to Telemedia;
- 6.6 any and all service and consultancy agreements between ITV Africa (on the one hand) and Saalbach (on the other) are cancelled on terms satisfactory to Telemedia;
- 6.7 the entering into of a new shareholders' agreement and this becoming unconditional; and
- 6.8 any regulatory consents required in connection with the transfer of the sale equity being obtained to the satisfaction of Telemedia.

7. WARRANTIES

The agreement contains warranties that are normal for a transaction of this nature.

8. FINANCIAL INFORMATION

The value of the net assets that are the subject of the transaction is R6,566,195 and the profits attributable to the net assets that are the subject of the transaction are R15,698,204. This information has been extracted from the annual financial statements of ITV Africa for the year ended 28 February 2023.

9. CATEGORISATION OF THE TRANSACTION

In terms of the JSE Listings Requirements, the transaction constitutes a category 2 transaction for Rex Trueform, and therefore shareholder approval thereof is not required.

29 September 2023

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