

IBEX INVESTMENT HOLDINGS LIMITED

(Formerly Steinhoff Investment Holdings Limited)

Incorporated in the Republic of South Africa

(Registration number: 1954/001893/06)

JSE share code: IBX ISIN: ZAE000068367

("Ibex" or "the Company")

FIRM INTENTION ANNOUNCEMENT BY THE COMPANY IN RESPECT OF A REPURCHASE OFFER TO IBEX PREFERENCE SHAREHOLDERS TO ACQUIRE ALL THEIR PREFERENCE SHARES, TO BE IMPLEMENTED BY WAY OF A SCHEME OF ARRANGEMENT AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

- 1.1. The board of directors of Ibex ("**Board**") is pleased to announce that it has resolved to propose a repurchase ("**Proposed Repurchase**") of all of the outstanding non-redeemable, non-cumulative, non-participating preference shares with a par value of R0.001 each in the issued share capital of Ibex ("**Preference Shares**") through an offer to the holders of Preference Shares ("**Preference Shareholders**") to acquire all of their Preference Shares ("**Scheme Shares**") for a cash consideration of R93.50 (9350.00000 cents) per Scheme Share plus an amount equal to the preference dividend that would have been calculated on a Scheme Share from 1 January 2024 up to the operative date of the Scheme, expected to be on Monday, 24 June 2024 ("**Scheme Operative Date**") (as if the Scheme Operative Date is the end of a dividend period in terms of the rights attaching to the Preference Shares) expected to bring the total Scheme Consideration to R98.1742 (9817.42465 cents) ("**Scheme Consideration**"), by way of a scheme of arrangement in accordance with the provisions of section 114(1) and section 115(2)(a) of the Companies Act, No. 71 of 2008, as amended ("**Companies Act**") ("**Scheme**"), which if successfully implemented will result in all the Preference Shares being repurchased, cancelled and removed from the issued preference share capital of Ibex and subsequently delisted from the securities exchange operated by the JSE Limited ("**JSE**").
- 1.2. The contents of this announcement ("**Firm Intention Announcement**") constitute a firm intention by Ibex to propose an affected transaction as contemplated in Chapter 5 of the Companies Act and Chapter 5 of the Companies Regulations, 2011, promulgated under the Companies Act (which includes the "**Takeover Regulations**" issued pursuant to sections 120 and 223 of the Companies Act) ("**Companies Regulations**").
- 1.3. Ibex has constituted an independent board of directors of the Company ("**Independent Board**") for purposes of the Proposed Repurchase, including, for the purposes of evaluating the fairness and reasonableness of the terms and conditions of the Scheme and advising Shareholders thereon, as required by the Companies Act and the Takeover Regulations. The Independent Board comprises of Moira Moses, Alexandra Watson, David Pauker and Paul Copley.
- 1.4. The purpose of this Firm Intention Announcement is to advise Shareholders of the Proposed Repurchase and specifically the terms and conditions of the Scheme.
- 1.5. A circular providing full details of the Scheme will be distributed to Shareholders on Thursday, 2 May 2024 ("**Circular**") as more fully set out in paragraph 10 below.
- 1.6. The dividend declaration announced on the JSE Stock Exchange News Service ("**SENS**") on Friday, 5 April 2024 is in respect of the dividend period 1 July 2023 to 31 December 2023 (payable on Monday, 29 April 2024 to Preference Shareholders registered in the securities register of Ibex at the close of business on Friday, 26 April 2024) and therefore will not be impacted by the Proposed Repurchase.

2. BACKGROUND AND RATIONALE FOR THE PROPOSED REPURCHASE

- 2.1. Ibex has issued 15 000 000 Preference Shares which were fully subscribed for. The Preference Shares are currently listed on the Main Board of the JSE under the abbreviated name IBX.
- 2.2. Ibex is an indirect wholly-owned subsidiary of Ibex Topco B.V. registration number: 90252624, a private limited company duly incorporated and registered in accordance with the Dutch system of law (and together with its subsidiaries, the “**Ibex Group**”). The Ibex Group has global holdings in retail businesses in the United States of America, Europe, Australia and Africa. Ibex, a company incorporated in South Africa, holds the Ibex Group’s African retail investments comprised predominantly of a 43.9% shareholding in Pepkor Holdings Limited, as well as assets in the form of inter-company loans with fellow subsidiaries.
- 2.3. The quoted closing price of the Preference Shares at the last practicable date, being Friday, 26 April 2024 (“**Last Practicable Date**”) was R93.00 per Preference Share.
- 2.4. Combined with the tightly held shareholding and the nature of the instrument, the Preference Shares experience low trading volumes and low liquidity, which have contributed to the Preference Shares trading at a material discount to their issue price.
- 2.5. The rationale for proposing the repurchase of the Preference Shares, to be implemented through the Scheme, is to obtain the following benefits through the implementation thereof –
 - 2.5.1. the Preference Shares are perpetual and accordingly, other than through a sale of the Preference Shares by the Preference Shareholders, there is no other practical way for a Preference Shareholder to dispose of its Preference Shares;
 - 2.5.2. a repurchase of the Preference Shares provides a meaningful, single liquidity event for all Preference Shareholders which would otherwise be difficult to achieve, due to the thin market for preference shares in general which results in low liquidity and trading volumes;
 - 2.5.3. a repurchase of the Preference Shares provides Preference Shareholders with the opportunity to monetise their Preference Shares at a premium to the ruling Preference Share price prior to the Firm Intention Announcement;
 - 2.5.4. the Scheme Consideration represents a 7.13% and 9.70% premium to the 30-day and 60-day volume weighted average price of the Preference Shares of R91.64 and R89.50 per Preference Share respectively at the Last Practicable Date; and
 - 2.5.5. the proposed repurchase of the Preference Shares (which will cost Ibex R1,472,613,698.63 to fund the Scheme Consideration including the amount equal to the preference dividend that would have been calculated on a Scheme Share from 1 January 2024 to the Scheme Operative Date) will provide Preference Shareholders with an opportunity to realise their investment in the Preference Shares through an exit at a premium.

3. TERMS AND CONDITIONS OF THE SCHEME

The Scheme constitutes an “affected transaction” as defined in section 117(1)(c)(iii) of the Companies Act and, as such, is regulated by the Companies Act and the Takeover Regulations. The salient terms of and other information pertaining to the Scheme are set out below:

3.1. Terms of the Scheme

- 3.1.1. The Scheme will be proposed by the Board between the Company and Preference Shareholders.
- 3.1.2. The Scheme will be subject to the fulfilment of the Scheme Conditions set out in paragraph 3.3 below.
- 3.1.3. In the event that the Scheme becomes unconditional and operative, Preference Shareholders, excluding those Preference Shareholders who validly exercise their appraisal rights in accordance with section 164 of the Companies Act as a consequence of the approval of the Scheme and whose rights have not been reinstated as envisaged in sections 164(9) and 164(10) of the Companies Act, or who have not been ordered by any South African court of competent jurisdiction (“**Court**”) to withdraw their demands in terms of section 164(15)(c)(v)(aa) of the Companies Act, (“**Scheme Participants**”), will be deemed to have disposed of all of their Scheme Shares at the Scheme Consideration, such that Ibex will acquire all of the Scheme Shares held by the Scheme Participants, whereafter the listing of all the Scheme Shares on the JSE will be terminated. The Scheme will be binding on all the Scheme Participants (irrespective of whether a Scheme Participant voted in favour of the Scheme or not).

3.2. Scheme Consideration

- 3.2.1. The Scheme Participants shall receive the Scheme Consideration in cash.
- 3.2.2. The Board has determined, by way of a resolution, that the distribution to Scheme Participants (in an amount equal to the total Scheme Consideration) pursuant to the Proposed Repurchase in terms of the Scheme comprises a return of capital that will reduce the “Contributed Tax Capital” or “**CTC**” (as defined in section 1 of the Income Tax Act, 58 of 1962) of the Company. In these circumstances, neither the Scheme Consideration nor any portion thereof will be deemed to be a dividend and the proceeds from the repurchase to Scheme Participants in terms of the Scheme will be treated similarly to the proceeds of any other sale of the Preference Shares.

3.3. Scheme Conditions

- 3.3.1. The Scheme is subject to the fulfilment of the following suspensive conditions (“**Scheme Conditions**”) by no later than **17h00** on 31 July 2024 or such later date as Ibex may in its sole discretion determine (“**Scheme Conditions Fulfilment Date**”), or their waiver (as the case may be):
 - 3.3.1.1. the Ibex shareholder (“**Shareholder**”) approvals required to give effect to the Scheme have been obtained, being –
 - 3.3.1.1.1. the passing of a special resolution to approve the Scheme in terms of sections 114(1) and section 115(2)(a) of the Companies Act (“**Scheme Resolution**”) at the general meeting of all Shareholders expected to be held on Thursday, 23 May 2024 (or any other adjourned or postponed date, as applicable) (“**General Meeting**”) in order to *inter alia* consider and, if deemed fit, pass the Scheme Resolution; and

- 3.3.1.1.2. the passing of a special resolution by the Preference Shareholders to approve the Scheme (“**Class Special Resolution**”) at the general meeting of Preference Shareholders expected to be held on Thursday, 23 May 2024 (or any other adjourned or postponed date, as applicable) (“**Meeting of Preference Shareholders**”) in order to consider and, if deemed fit, pass this resolution;
 - 3.3.1.2. within the period prescribed by section 164(7) of the Companies Act, no valid demands (relating to appraisal rights in terms of section 164 of the Companies Act) have been received by Ibex from any Shareholder in terms of that section read with section 115(8) of the Companies Act, pursuant to the Scheme Resolution;
 - 3.3.1.3. to the extent that the provisions of section 115(2)(c) read with section 115(3) of the Companies Act become applicable -
 - 3.3.1.3.1. the Scheme Resolution being approved by the Court unconditionally or, if subject to conditions, Ibex confirms in writing that the conditions are acceptable to it;
 - 3.3.1.3.2. the Scheme Resolution not being set aside by the Court; or
 - 3.3.1.3.3. Ibex not treating the Scheme Resolution as a nullity in terms of section 115(5)(b) of the Companies Act; and
 - 3.3.1.4. the approvals required in terms of the Exchange Control Regulations, 1961 for Ibex to implement the Scheme are obtained on an unconditional basis or, to the extent that any such approvals are obtained subject to any condition or qualification, Ibex confirms in writing that the condition or qualification is acceptable to it.
 - 3.3.2. Ibex shall be entitled to waive (in whole or in part) in writing the Scheme Condition stipulated in paragraph 3.3.1.2 at any time (including after the fulfilment date of this Scheme Condition). The remaining Scheme Conditions stipulated above are not capable of waiver.
 - 3.3.3. The Scheme Conditions Fulfilment Date may be extended by Ibex, subject to any approval as may be required from the Takeover Regulation Panel, established in terms of section 196 of the Companies Act (“**TRP**”). An announcement will be released on SENS and published in the South African press as soon as reasonably practicable after all the Scheme Conditions have been fulfilled or waived, if the Scheme Conditions are not fulfilled or waived timeously, or if the time and/or date for fulfilment or waiver of the Scheme Conditions is extended.
 - 3.3.4. In order to comply with Regulation 102(13) of the Takeover Regulations, notwithstanding the fulfilment or waiver of the Scheme Conditions, the Scheme shall not be implemented unless and until the TRP has issued a compliance certificate in relation to the Scheme as required by section 115(1)(b), read with section 119(4)(b) and section 121(b), of the Companies Act.

4. **SOLVENCY AND LIQUIDITY**

It is recorded, in respect of the Proposed Repurchase, that –

- 4.1. in terms of section 46(1)(a)(ii) of the Companies Act, the Board has authorised the Proposed Repurchase, by way of a resolution;
- 4.2. in terms of section 46(1)(b) of the Companies Act, the Board is satisfied that it reasonably appears that Ibex will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act, immediately after completing the Proposed Repurchase;
- 4.3. in terms of section 46(1)(c) of the Companies Act, the Board has, by resolution, acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and reasonably concluded that Ibex will satisfy the solvency and liquidity test immediately after completing the Proposed Repurchase; and
- 4.4. since the solvency and liquidity test was performed, there have been no material changes to the financial position of Ibex.

5. **TAX IMPLICATIONS FOR PREFERENCE SHAREHOLDERS**

Notwithstanding the provisions of paragraph 3.2.2 above, the tax implications of the Scheme on Preference Shareholders will depend on the individual circumstances of each Preference Shareholder. Accordingly, Preference Shareholders are advised to obtain independent tax advice in relation to the tax implications of the Scheme.

6. **INDEPENDENT EXPERT AND FAIR AND REASONABLE OPINION**

- 6.1. In accordance with the Companies Act, the Independent Board has appointed BDO Corporate Finance Proprietary Limited as the independent expert in terms of section 114(2) of the Companies Act and regulation 90 of the Companies Regulations (“**Independent Expert**”) to provide the Independent Board with external advice in relation to the Scheme, in the form of a fair and reasonable opinion (“**Independent Expert’s Report**”).
- 6.2. The full substance of the Independent Expert’s Report in connection with the Scheme will be more fully set out in the Circular to be distributed to Shareholders as referred to in paragraph 10 below.

7. **VIEWS OF THE INDEPENDENT BOARD**

The views of the Independent Board, taking into account the Independent Expert's Report, will be more fully set out in the Circular to be distributed to Shareholders as referred to in paragraph 10 below.

8. **IRREVOCABLE UNDERTAKINGS**

- 8.1. Ibex has obtained approval from the TRP to approach certain Preference Shareholders to provide irrevocable undertakings to vote their relevant number of Preference Shares in favour of the resolutions to be proposed at the General Meeting and the Meeting of Preference Shareholders, and in respect of which they are entitled to vote (including the Scheme Resolution and the Class Special Resolution) or such additional number of Preference Shares as they may hold at the time of the General Meeting and the Meeting of Preference Shareholders.

- 8.2. The Ordinary Shareholder holding 55 000 106 Ordinary Shares representing 100% of the Ordinary Shares in issue, provided an irrevocable undertaking to vote in favour of the Scheme Resolution in respect of its Ordinary Shares, and Preference Shareholders collectively holding 12 293 697 Preference Shares representing 81.96% of the Preference Shares in issue, provided irrevocable undertakings to vote in favour of the Scheme Resolution and the Class Scheme Resolution in respect of their Preference Shares
- 8.3. Details of the irrevocable undertakings provided by Shareholders will be more fully set out in the Circular to be distributed to Shareholders as referred to in paragraph 10 below.

9. CASH CONFIRMATION

Ibex will use its own resources within Ibex to fund the Scheme Consideration. In accordance with Regulation 111(4) and Regulation 111(5) of the Companies Regulations, Investec Bank Limited has provided a cash confirmation to the TRP which confirms that Ibex has sufficient cash resources in terms of Regulation 111 to satisfy payment of the maximum possible consideration in respect of the Proposed Repurchase.

10. POSTING OF THE CIRCULAR AND NOTICE OF THE GENERAL MEETING AND THE MEETING OF PREFERENCE SHAREHOLDERS

- 10.1. The circular providing full details of the Scheme, and containing notices of the General Meeting and the Meeting of Preference Shareholders ("**Notices**"), the Independent Expert's Report, the recommendations of the Independent Board, the salient dates and times relating to the Scheme and the necessary forms in order to effect the Scheme, will be distributed to Shareholders on Thursday, 2 May 2024.
- 10.2. Copies of this Circular may be obtained during normal business hours (09h00 to 17h00) from the registered office of Ibex and on Ibex's website (www.Ibexholdings.co.za), from Thursday, 2 May 2024 until Thursday, 23 May 2024.
- 10.3. The General Meeting and the Meeting of Preference Shareholders will be held on Thursday, 23 May 2024 ("**Meetings**"). The date determined by the Board in terms of section 59 of the Companies Act for Shareholders to be recorded in the Ibex share register ("**Register**") in order to be eligible to participate and vote at the Meetings is Friday, 17 May 2024 ("**Meetings Record Date**").

The Meetings will be conducted entirely through electronic communication. The electronic meeting facilities will permit all Shareholders to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to Shareholders to vote their shares at these Meetings. Full details regarding registration and participation will be provided in the Circular under the heading "Electronic Participation" and "Action Required by Shareholders".

11. SALIENT DATES AND TIMES

	2024
Posting record date to be eligible to receive the Circular on	Friday, 26 April
Last practicable date for Circular purposes on	Friday, 26 April
Circular distributed to Shareholders on	Thursday, 2 May
Last day to trade in Ibex shares in order for Shareholders to be recorded in the register on the Meetings Record Date on	Tuesday, 14 May
Meetings Record Date to be eligible to vote at the Meetings on	Friday, 17 May
For administrative purposes only, last day and time to lodge forms of proxy with the Transfer Secretaries by 14h00 on	Tuesday 21 May

	2024
Suggested last day to register to participate in the Meetings electronically by 14h00 on	Tuesday, 21 May
Last day for Shareholders to deliver written notice to Ibex objecting to the Scheme Resolution in accordance with section 164(3) of the Companies Act before the Scheme Resolution is to be voted on at the General Meeting	Thursday, 23 May
General Meeting to be held entirely by way of electronic communication at 14h00 on	Thursday, 23 May
Meeting of Preference Shareholders to be held entirely by way of electronic communication at the later of 14h30 (or immediately after the conclusion of the General Meeting) on	Thursday, 23 May
Results of Meetings released on SENS on	Thursday, 23 May
Results of the Meetings published in the South African press on	Friday, 24 May
Last date for Shareholders who voted against the Scheme Resolution to require Ibex to seek Court approval for the implementation of the Scheme Resolution in terms of section 115(3)(a) of the Companies Act, if the Scheme Resolution, in terms of section 115(2)(a) of the Companies Act, were opposed by at least 15% of the voting rights that were exercised	Friday, 31 May
Last date for Shareholders who voted against the Scheme Resolution to be granted leave by a Court to apply for a review of the Scheme Resolution in terms of section 115(3)(b) of the Companies Act	Friday, 7 June
Last date for Ibex to give notice of adoption of the Scheme Resolution in terms of section 164(4) of the Companies Act to the Shareholders who delivered written notices to Ibex objecting to the Scheme Resolution in accordance with section 164 of the Companies Act and have neither withdrawn that notice nor voted in support of the Scheme Resolution.	Friday, 7 June
If the Scheme Resolution is duly approved by Shareholders at the General Meeting, no Shareholders exercise their rights in terms of section 115(3) of the Companies Act and all other Scheme Conditions Precedent are fulfilled (or waived, where such conditions are capable of waiver):	
TRP compliance certificate delivered in terms of section 121(b)(i) of the Companies Act	Monday, 10 June
Scheme Finalisation Date announcement and announcement of final Scheme Consideration expected to be released on SENS before 11h00 on	Monday, 10 June
Scheme Finalisation Date announcement published in the South African press on	Tuesday, 11 June
Expected last day to trade Preference Shares in order for Preference Shareholders to be recorded in the Register on the Scheme Record Date to receive the Scheme Consideration on	Tuesday, 18 June
Expected suspension of listing of Preference Shares from the Main Board of the JSE at commencement of trading on	Wednesday, 19 June
Last day to deliver Form of Surrender (<i>pink</i>) in respect of the Scheme and Documents of Title (in order to receive the Scheme Consideration on the Scheme Operative Date) to be received by the Transfer Secretaries, which is expected to be by 12h00 on	Friday, 21 June
Expected Scheme Record Date, being the date and time on which Preference Shareholders must be recorded in the Register to receive the Scheme Consideration, which is expected to be by 17h00 on	Friday, 21 June
Expected Scheme Operative Date on	Monday, 24 June

	2024
Dematerialised Scheme Participants expected to have their accounts (held at their CSDP or Broker) debited with the Scheme Shares and credited with the Scheme Consideration on	Monday, 24 June
Expected date of settlement of the Scheme Consideration to be paid electronically to Certificated Scheme Participants (if the Form of Surrender (<i>pink</i>) in respect of the Scheme and Documents of Title are received by the Transfer Secretaries by 12h00 on the Scheme Record Date) on	Monday, 24 June
Expected termination of listing of the Preference Shares on the Main Board of the JSE at the commencement of trade on	Tuesday, 25 June

Notes:

1. All dates and times above and quoted generally above are South African dates and times, unless otherwise stated.
2. These dates and times are subject to amendment by Ibex (and, to the extent necessary, with the approval of the JSE and the TRP). The dates have been determined based on certain assumptions regarding the date by which Shareholder approvals will be obtained and that no Court approval or review of the Scheme Resolution will be required. Any such amendment of the dates and times will be released on SENS and published in the South African press.
3. Preference Shareholders should note that as transactions in Preference Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 Business Days after such trade. Therefore, Preference Shareholders who acquire Preference Shares after close of trade on Tuesday, 14 May 2024 will not be eligible to participate and vote at the Meetings.
4. For the purpose of being eligible to participate in the Scheme, no Dematerialisation or re-materialisation of Preference Shares may take place after the last day to trade Preference Shares for the Scheme.
5. If the General Meeting or the Meeting of Preference Shareholders is adjourned or postponed, the above dates and times will change, but the applicable Form of Proxy (*blue*) submitted for the General Meeting and the Form of Proxy (*green*) submitted for the Meeting of Preference Shareholders, as the case may be, will remain valid in respect of any postponement prior to convening, adjournment or postponement of the General Meeting or the Meeting of Preference Shareholders, as the case may be.
6. Any Form of Proxy (*blue*) or Form of Proxy (*green*) not delivered to the Transfer Secretaries by the date and time stipulated herein may be sent by email to the Transfer Secretaries before such Shareholder's voting rights are exercised at the General Meeting (or any adjournment or postponement thereof) or the Meeting of Preference Shareholders (or any adjournment or postponement thereof), respectively.

12. **RESPONSIBILITY STATEMENTS**

The Independent Board and the Board, individually and collectively, accept full responsibility for the accuracy of the information contained in this Firm Intention Announcement which relates to Ibex and the Scheme and certify that, to the best of their knowledge and belief, such information is true, and that this Firm Intention Announcement does not omit any facts that would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Firm Intention Announcement.

The Independent Board and the Board have made all reasonable enquiries to ascertain that no facts have been omitted and that this Firm Intention Announcement contains all information required by law, the Companies Act and the listings requirements of the JSE.

13. **WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

As the terms of the Scheme have now been announced, the cautionary announcement of the Company published on SENS on 18 March 2024 is hereby withdrawn and accordingly caution is no longer required to be exercised by Shareholders when dealing with their securities in the Company.

Stellenbosch
29 April 2024

FINANCIAL ADVISOR AND TRANSACTION SPONSOR
Investec Bank Limited

LEGAL ADVISOR
Cliffe Dekker Hofmeyr Incorporated

INDEPENDENT EXPERT
BDO Corporate Finance Proprietary Limited

TRANSFER SECRETARY
Computershare Investor Services Proprietary Limited