

MULTICHOICE GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2018/473845/06)
JSE and A2X Share code: MCG
ISIN: ZAE000265971
("MultiChoice" and "MCG")

GROUPE CANAL+ S.A.
(a French société anonyme registered with the Registre du Commerce et des Sociétés in Nanterre, France)
(Number 420.624.777)
("Canal+")

JOINT ANNOUNCEMENT – PROGRESS UPDATE ON CANAL+ MANDATORY OFFER

INTRODUCTION

The shareholders of Canal+ and holders of MultiChoice ordinary shares ("**MCG Shareholders**") are referred to:

- the joint firm intention announcement released by Canal+ and MultiChoice on the Stock Exchange News Service of the JSE Limited and the A2X News Service on 8 April 2024; and
- the combined circular published by Canal+ and MCG dated 4 June 2024 ("**Combined Circular**") setting out the terms and conditions of the mandatory offer by Canal+ ("**Offer**") to acquire all of the issued ordinary shares of MCG not already owned by Canal+, excluding treasury shares, from MCG Shareholders for a consideration of ZAR125.00 per share, payable in cash; and
- the joint announcement released by Canal+ and MCG on the Stock Exchange News Service of the JSE Limited and the A2X News Service on 30 September 2024, recording that the parties had made a joint merger control filing pertaining to the Offer to the Competition Commission and were engaging with the Independent Communications Authority of South Africa.

The purpose of this announcement is to provide Canal+ and MultiChoice Shareholders with an update on the progress of the Offer.

POST-TRANSACTION STRUCTURE

The Combined Circular stated that: "In light of the duty on Canal+ to make a mandatory offer for the MultiChoice Shares, Canal+ and MultiChoice are in the process of assessing and finalising suitable structuring options and potential transactions, which may be undertaken by the MultiChoice Group on or shortly before the Closing Date to ensure compliance with the applicable limitations on foreign control while also maintaining MultiChoice's Broad-Based Black Economic Empowerment (BBBEE) credentials."

Canal+ and MultiChoice are pleased to inform shareholders that they have concluded their discussions regarding their intended post-transaction structure of MultiChoice.

Canal+ and MultiChoice have engaged with the Board of Directors of Phuthuma Nathi, which has given in-principle support for the transaction. An Independent Board of Phuthuma Nathi will be constituted to review and consider the necessary formal proposals in accordance with the relevant regulations.

These developments mark further important steps forward in the transaction process.

The key features of the intended post-transaction structure will be as follows:

- The MultiChoice Group will be restructured so that the current holder of the broadcasting licence in South Africa and the entity which contracts with South African subscribers, MultiChoice (Pty) Ltd (“**Licence Co**”), will be carved out of the MultiChoice Group and will become an independent entity. The remainder of the group’s video entertainment assets will remain part of the MultiChoice Group.
- LicenceCo will continue to hold the subscription broadcasting licence in South Africa. It will continue to contract with MultiChoice’s South African subscribers.
- LicenceCo will be majority owned by Historically Disadvantaged Persons (HDPs):
 - a. Phuthuma Nathi, which will ultimately hold a 27% economic interest in LicenceCo;
 - b. two well established black owned and managed companies, Identity Partners Itai Consortium and Afrifund Consortium, whose highly experienced leaders bring with them great commercial and industry knowledge; and
 - c. a Workers’ Trust (ESOP).
- MultiChoice Group’s shareholding in LicenceCo will ultimately give it a 49% economic interest and 20% share of voting rights.
- MultiChoice Group will also retain its existing 75% direct interest in MultiChoice South Africa, which will exclude LicenceCo. Phuthuma Nathi will similarly retain its existing 25% interest in MultiChoice South Africa.
- LicenceCo will enter into various commercial agreements with MultiChoice Group subsidiaries in relation to the services currently provided to LicenceCo by other MultiChoice Group entities. These relate to, among other things, the provision of content, technology, subscriber management and support and other functions.
- The transaction will not lead to any disruption for LicenceCo’s South African viewers, who will continue to access its services as normal. In time those subscribers will benefit from the additional content and technology investments envisaged by the MultiChoice Group, in its capacity as supplier to LicenceCo.

Canal+ and MultiChoice are confident that the envisaged structure meets the requirements of all applicable laws, including the restrictions on foreign ownership and control of broadcasting licences contained in the Electronic Communications Act, 2005.

REGULATORY PROCESSES

The LicenceCo structure described above was submitted to the South African Competition Commission as part of the filings made on 30 September 2024 and is being considered by the Commission. It will, along with the attendant shareholder transactions, be finalised in due course upon receiving the necessary approval of the relevant authorities.

The transaction remains subject to regulatory review across numerous jurisdictions, including South Africa. It will also be assessed by the Independent Board of Phuthuma Nathi, following the in-principle support given by the Phuthuma Nathi Board to the proposed transaction.

Maxime Saada, CEO of Canal+ said:

“This transaction is an opportunity to create a unique global media company, with a strong presence across Africa, with the scale, expertise and creativity to compete and partner with the largest players within the media sector and beyond.

I am confident that the contemplated post-transaction structure will comply with South Africa’s laws and regulations. Canal+ has placed Broad-Based Black Economic Empowerment at the heart of the transaction and is delighted to welcome in this potential structure, alongside Phuthuma Nathi, new HDP shareholders and broadened employee ownership.

“We remain committed to deliver on our ambition to bring MultiChoice and Canal+ together, with today’s announcement representing another step forward.”

Calvo Mawela, CEO of MultiChoice Group said:

“We are very pleased about the progress that has been made in relation to this transaction. In a fast-evolving industry that is becoming increasingly competitive, the opportunity to combine our efforts to increase scale and bring our subscribers an even better offering is something that continues to excite us.

“MultiChoice has a long and proud history of creating significant value for the shareholders of Phuthuma Nathi, one of the most successful BBBEE schemes in South Africa. To continue this journey with Phuthuma Nathi, while at the same time broadening the BBBEE participation in our business through new partnerships that also involves our staff, is an inspiring prospect.”

RESPONSIBILITY STATEMENTS

The Independent Board of MultiChoice accepts responsibility for the information contained in this announcement, to the extent that it relates to MultiChoice, and confirms that, to the best of its knowledge and belief, such information relating to MultiChoice is true and that this announcement does not omit anything likely to affect the importance of such information.

The directors of Canal+ accept responsibility for the information contained in this announcement, to the extent that it relates to Canal+, and confirm that, to the best of their knowledge and belief, such information relating to Canal+ is true and that this announcement does not omit anything likely to affect the importance of such information.

Randburg
4 February 2025

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Important Notices

Shareholders should take note that, pursuant to a provision of the MultiChoice memorandum of incorporation, MultiChoice is permitted to reduce the voting rights of shares in MultiChoice (including MultiChoice shares deposited in terms of the American Depositary Share ("ADS") facility) so that the aggregate voting power of MultiChoice shares that are presumptively owned or held by foreigners to South Africa (as envisaged in the MultiChoice memorandum of incorporation) will not exceed 20% of the total voting power in MultiChoice. This is to ensure compliance with certain statutory requirements applicable to South Africa. For this purpose, MultiChoice will presume in particular that:

- a. all MultiChoice shares deposited in terms of the MultiChoice ADS facility are owned or held by foreigners to South Africa, regardless of the actual nationality of the MultiChoice ADS holder; and
- b. all shareholders with an address outside of South Africa on the register of MultiChoice will be deemed to be foreigners to South Africa, irrespective of their actual nationality or domicile, unless such shareholder can provide proof, to the satisfaction of the MultiChoice board, that it should not be deemed to be a foreigner to South Africa, as envisaged in article 40.1.3 of the MultiChoice memorandum of incorporation.

Shareholders are referred to the provisions of the MultiChoice memorandum of incorporation available at www.MultiChoice.com for further detail.

Shareholders are further referred to ruling issued by the Takeover Regulation Panel on 27 February 2024, which ruling deals with the MultiChoice memorandum of incorporation. Shareholders can access the ruling on the Company's website at <https://www.investors.multichoice.com/regulatory.php>.

If shareholders are in any doubt as to what action to take, they should seek advice from their broker, attorney or other professional adviser.

THIS ANNOUNCEMENT IS NOT AN OFFER. IT IS AN ANNOUNCEMENT RELATING TO AN OFFER, THE TERMS OF WHICH ARE SET OUT IN THE COMBINED CIRCULAR PUBLISHED ON 4 JUNE 2024. THE OFFER WILL NOT BE MADE, DIRECTLY OR INDIRECTLY, IN OR INTO, OR BY USE OF THE MAILS OF, OR BY ANY MEANS OR INSTRUMENTALITY (INCLUDING, WITHOUT LIMITATION, TELEPHONICALLY OR ELECTRONICALLY) OF INTERSTATE OR FOREIGN COMMERCE OF, OR ANY FACILITY OF THE NATIONAL SECURITIES EXCHANGES OF ANY JURISDICTION IN WHICH IT IS ILLEGAL OR OTHERWISE UNLAWFUL FOR THE OFFER TO BE MADE OR ACCEPTED, INCLUDING (WITHOUT LIMITATION) AUSTRALIA, CANADA, JAPAN AND SOUTH KOREA (ANY SUCH JURISDICTION, A "RESTRICTED JURISDICTION"), AND THE OFFER CANNOT BE ACCEPTED BY ANY SUCH USE, MEANS, INSTRUMENTALITY OR FACILITY OR FROM WITHIN A RESTRICTED JURISDICTION. ACCORDINGLY, NEITHER COPIES OF THE COMBINED CIRCULAR NOR ANY RELATED DOCUMENTATION ARE BEING OR MAY BE MAILED OR OTHERWISE DISTRIBUTED OR SENT IN OR INTO OR FROM A RESTRICTED JURISDICTION, AND IF RECEIVED IN ANY RESTRICTED JURISDICTION, THE COMBINED CIRCULAR SHOULD BE TREATED AS BEING RECEIVED FOR INFORMATION PURPOSES ONLY.

IMPORTANT INFORMATION FOR US SHAREHOLDERS

This announcement is made in connection with an offer to acquire shares of MultiChoice, a South African company, and is being made in the United States in reliance on the exemption, known as the "Tier I" exemption, from Regulation 14E and the US tender offer rules provided by Rule 14d-1(c) under the US Securities Exchange Act of 1934, as amended (Exchange Act). The Offer is subject to South African disclosure and procedural requirements, rules and practices that are different from those of the United States. The financial information included in this announcement, if any, has been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of US companies.

It may be difficult to enforce any rights and any claim under the US federal securities laws against MultiChoice and/or Canal+, since each of MultiChoice and Canal+ are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. You may not be able to sue a foreign company or its officers or directors in a foreign

court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement.

You should be aware that Canal+ and its affiliates or brokers may purchase shares of MultiChoice otherwise than under the Offer, such as in open market or privately negotiated purchases. Information about any such purchases or arrangements to purchase that is made public in accordance with South African law and practice will be available to all investors (including in the United States) via announcements on the Stock Exchange News Services of the JSE Limited.

The Offer, if consummated, may have consequences under US federal income tax and applicable US state and local, as well as non-US, tax laws for MultiChoice Shareholders. Each MultiChoice Shareholder is urged to consult his or her independent professional adviser regarding the tax consequences of the Offer.

Neither the US Securities and Exchange Commission nor any securities commission of any state of the United States has approved the Offer, passed upon the fairness of the Offer, or passed upon the adequacy or accuracy of this announcement. Any representation to the contrary is a criminal offence in the United States.

FORWARD-LOOKING STATEMENTS

This announcement may contain "forward-looking statements". Forward-looking statements can be identified by words like "may," "will," "likely," "should," "expect," "anticipate," "future," "plan," "believe," "intend," "goal," "seek," "estimate," "project," "continue" and similar expressions. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of MultiChoice's and Canal+'s business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of MultiChoice's and Canal+'s control. MultiChoice's and Canal+'s actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. The forward-looking statements included in this announcement are made only as of the date of this announcement, and except as otherwise required by law, MultiChoice and Canal+ do not have any obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.