

tiso blackstar group.

TISO BLACKSTAR GROUP SE

(Incorporated in England and Wales)

(Registration number SE000110)

(Registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10)

JSE share code: TBG ISIN: GB00BF37LF46

("Tiso Blackstar" or "the Company")

FINANCIAL EFFECTS OF CATEGORY 1 TRANSACTION AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1 INTRODUCTION

- 1.1 Shareholders are referred to the Company's SENS announcements, dated 27 June 2019 and 29 July 2019 ("**Transaction Announcements**"), regarding the proposed disposal of Tiso Blackstar's South African media, broadcasting and content assets, as well as its Ghana, Nigeria and Kenya media, broadcasting and content assets in Ghana, Nigeria and Kenya and its South African radio assets, by way of, respectively, the SA Sale, the Africa Radio Sale and the SA Radio Sale (as such terms are defined in the Transaction Announcements), to Lebashe Investment Group (Pty) Ltd for a combined aggregate purchase consideration of ZAR 1,050,000,000, subject to certain adjustments (collectively, the "**Transaction**"), with the Transaction qualifying as a category 1 transaction in terms of the JSE Limited ("**JSE**") Listings Requirements.
- 1.2 At the time of the Transaction Announcements, the Company was not yet in a position to disclose the financial effects of the Transaction, as required under the JSE Listings Requirements, and a cautionary announcement has therefore to date remained in place.

2 FINANCIAL EFFECTS

- 2.1 The financial effects shown below are extracted from the carved-out historical combined financial information for TBG SA Group (the subject of the disposal under the SA Sale), Africa Radio (to be disposed of under the Africa Radio Sale) and SA Radio (to be disposed of under the SA Radio Sale) (as such terms are defined in the Transaction Announcements) prepared in terms of IFRS for the interim six-month period ended 31 December 2018, which will be reviewed by the Reporting Accountants and disclosed in the required circular to shareholders.
- 2.2 The abovementioned historical combined financial information reflects the value of the net liabilities to be disposed of under the Transaction as at 31 December 2018 as ZAR 414.9 million, which is comprised of the following: TBG SA Group, net liabilities of ZAR 622.2 million; Africa Radio, net assets of ZAR 370.9 million; and SA Radio, net liabilities of ZAR 123.5 million, before taking into consideration the related consolidation entries recognised by the Company at a Tiso Blackstar level.
- 2.3 The profits after tax attributable to the assets to be disposed of under the Transaction for the six months ended 31 December 2018, as extracted from the abovementioned historical combined financial information (before taking into consideration the related consolidation entries recognised by

the Company at a Tiso Blackstar level), amounted to a profit after tax of ZAR4.2 million, which is comprised of the following: TBG SA Group, a profit after tax of ZAR 15.6 million; Africa Radio, a loss after tax of ZAR 5.5 million; and SA Radio, a loss after tax of ZAR 5.9 million.

- 2.4 When considering the financial effects, please bear in mind that various scenarios may arise, given the interconditional nature of certain of the legs to the Transaction. In this regard, both the Africa Radio Sale and the SA Radio Sale are conditional on the SA Sale occurring, while the SA Sale is not conditional on the former two legs occurring.
- 2.5 Detailed historical and *pro forma* financial information regarding the Transaction will be disclosed in the circular to shareholders, which is to be published shortly, and shareholders are encouraged to consider same, once published, to gain a more complete understanding of the financial effects of the Transaction.

3 **WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

As the financial effects of the Transaction have now been announced, the Company advises that the cautionary announcement and renewal thereof under the Transaction Announcements, is hereby withdrawn and that, accordingly, caution is no longer required to be exercised by shareholders when dealing in their securities.

London
10 September 2019

Corporate Advisor and Sponsor
PSG Capital

