

REX TRUEFORM GROUP LIMITED

Listed on the General Segment of the Main Board

(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")



REX TRUEFORM
GROUP LIMITED

ACQUISITION OF A STAKE IN BYTE ORBIT PROPRIETARY LIMITED

1. Introduction and rationale

- 1.1. The board of directors of Rex Trueform is pleased to announce the conclusion of a subscription agreement ("**Subscription Agreement**") and a sale of shares agreement ("**Sale Agreement**") on 20 December 2024 in terms of which Rex Trueform will acquire 30.02% in Byte Orbit Proprietary Limited ("**Byte Orbit**") (the "**Transaction**"). In terms of the Subscription Agreement, Rex Trueform will acquire a 20.47% equity interest in Byte Orbit by subscribing for 997 ordinary shares on 20 December 2024 and a further 998 ordinary shares on 31 January 2025 for an aggregate subscription consideration of R18,000,000.00. In terms of the Sale Agreement, Rex Trueform will acquire a further 9.55% equity interest in Byte Orbit by acquiring 930 ordinary shares on 28 February 2025 from a majority shareholder of Byte Orbit, being Amit Ramdath (the "**vendor**") for a purchase consideration of R12,000,000.00.
- 1.2. Established in 2003, Byte Orbit brings two decades of expertise in digital innovation, offering high-quality solutions through a full product lifecycle approach. Byte Orbit prioritises user-centric designs, leveraging deep insights into audiences, technologies, and markets. Through its investment in Byte Orbit, Rex Trueform aims to assist in leveraging future growth opportunities, exploring emerging markets, and integrating advanced technologies while enhancing Byte Orbit's market presence through strategic partnerships.

2. Salient terms of the Transaction

- 2.1. The subscription consideration under the Subscription Agreement is an aggregate cash amount of R18,000,000.00 payable to Byte Orbit in two equal tranches on 20 December 2024 and 31 January 2025, respectively.
- 2.2. The purchase consideration under the Sale Agreement is an aggregate cash amount of R12,000,000.00, payable to the vendor in quarterly tranches from 28 February 2025 to 31 May 2026.
- 2.3. The effective date of the Transaction is 20 December 2024.
- 2.4. All conditions precedent to the Transaction have been fulfilled.
- 2.5. The Subscription Agreement and the Sale Agreement contain warranties that are normal for a transaction of this nature. Furthermore, the Subscription Agreement contains a profit warranty in terms of which the parties have further agreed that should Byte Orbit achieve less than an aggregate net profit after tax of R40,000,000.00 for its financial years ended 28 February 2026, 28 February 2027 and 29 February 2028, Byte Orbit will issue to Rex Trueform such number of additional shares as represents a 10% shareholding in Byte Orbit (measured with reference to the total number of shares that will be in issue at the relevant time) for an aggregate consideration of R1.00.

3. Financial information

The net asset value and profits attributable to 100% of Byte Orbit is R16.4 million and R3.6 million, respectively. This information has been extracted from the unpublished unaudited management accounts of Byte Orbit for the 9 months ended 30 November 2024 which has been prepared in terms of International Financial Reporting Standards for Small and Medium-sized Entities. For purposes of this announcement, Rex Trueform is satisfied with the quality of these management accounts.

4. JSE categorisation

The Transaction is classified as a category 2 transaction in terms of the JSE Listings Requirements and is, accordingly, not subject to approval by shareholders.

20 December 2024

Sponsor

JAVACAPITAL