

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”)



ACQUISITION OF A 51% STAKE IN BELPER INVESTMENTS PROPRIETARY LIMITED

INTRODUCTION

Shareholders are advised that the Company has entered into subscription and shareholders’ agreements with the existing shareholders, being Wayne van der Vent, Karen Miller and Christopher Hyland of Belper Investments Proprietary Limited (“**Belper**”) and Belper, in terms of which Rex Trueform will subscribe for 51% of the entire issued share capital in Belper (the “**Subscription**” or “**Transaction**”).

SALIENT TERMS AND PAYMENT OF CONSIDERATION

Prior to the Subscription, the Company will advance an amount of R 19 700 000 to Belper together with an amount equal to 50% of the competition law-related legal costs incurred by Belper in relation to the acquisition of the portfolio of properties (as more fully described below), which loan facility will bear interest at prime plus 1% (the “**Loan**”). The interest on the Loan will be repayable on the second and third anniversaries of the effective date of the Loan, and the capital will be repayable in full on the third anniversary of the effective date of the Loan. Any repayments on the Loan will not be capable of being redrawn by Belper. The existing shareholders of Belper will cede their shareholding in Belper to Rex Trueform as security for the Loan, which cession will cease once the Loan has been repaid in full or the Company becomes the holder of 51% of the entire issued share capital of Belper (whichever is earliest).

The Loan, together with a senior debt facility in the amount of R 84 500 000, will be utilised by Belper to purchase a portfolio of properties comprising letting enterprises as going concerns, the details of which are set out below.

NATURE OF BUSINESS OF BELPER

Belper is a newly established property letting enterprise which shall acquire the portfolio of properties as more fully described below.

RATIONALE FOR THE TRANSACTION

The Transaction presents an opportunity for Rex Trueform to diversify its existing property portfolio while leveraging the opportunity to acquire commercial property with a high tenant demand at the right value.

CONDITIONS PRECEDENT AND EFFECTIVE DATE

The Transaction is subject to the following conditions precedent:

- i. Rex Trueform passing a resolution authorising the conclusion of the loan agreement, cession and pledge agreement, subscription agreement and shareholders agreement (“**Transaction Agreements**”);
- ii. Belper passing a resolution approving the conclusion of the Transaction Agreements and further approving the issue of the subscription shares to Rex Trueform;
- iii. the entering into of the loan agreement and this becoming unconditional;
- iv. the entering into of the shareholders agreement;
- v. the adoption of a new memorandum of incorporation for Belper;

- vi. by not later than 31 May 2022, the properties are all registered in the name of Belper by the Registrar of Deeds at Cape Town; and
- vii. any regulatory authority (including Competition Commission approval), if required, being obtained by no later than 30 June 2022.

The Transaction will be effective from the first business day following the date on which all the condition precedents are fulfilled or waived (as the case may be).

ASSETS TO BE ACQUIRED

Belper shall acquire a portfolio of industrial properties located in Epping, Cape Town, with a gross lettable area of 29 668m².

FINANCIAL INFORMATION

The value of the net assets that are the subject of the Transaction is R 104 200 000. The annual EBITDA attributable to the properties that are the subject of the Transaction is forecast to be R 13 500 000.

The forecast is based on information derived from management accounts, budgets and lease agreements in respect of the Transaction and assumes that there are no unforeseen economic factors that will affect the ability of customers to meet their commitments in terms of existing lease agreements.

The forecast, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors of the Company and has not been reviewed or reported on by independent reporting accountants.

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.

21 April 2022

Sponsor

The logo for JavaCapital, featuring the word "JAVACAPITAL" in a bold, sans-serif font. The letter "J" is significantly larger and positioned to the left of the rest of the word. A blue horizontal line is drawn across the middle of the letters "A", "V", and "A".