



LABAT AFRICA LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1986/001616/06)
("Labat Africa" or "the Company")
ISIN Code: ZAE000018354 Share Code: LAB
FSE Code: LEI 9845000R73DF5EE41J88

ACQUISITION OF THE ADDITIONAL 24.45% OF CLASSIC INTERNATIONAL (PTY) LTD

Shareholders are advised that Labat Africa Limited ("Labat") has entered into a Memorandum of Agreement ("MOA") to acquire an additional shareholding of 24.45% in Classic International (Pty) Ltd ("Classic") from the current shareholder, Mr. Muziwakhe Ndhlovu ("the Transaction") who is an unrelated party.

Background of Classic

Classic International Trading (Pty) Ltd ("Classic") is a rapidly expanding ICT infrastructure and enterprise technology solutions provider specialising in advanced hardware infrastructure, AI-enabled technology systems and integrated enterprise computing solutions across South Africa and the broader SADC region.

Classic services a diversified client base including government departments, parastatals, large enterprise customers and critical infrastructure operators. The business provides high-performance computing hardware, AI-driven analytics capability and disruptive engineering solutions designed to improve operational efficiency in complex enterprise environments. Classic has established a strong regional footprint through the supply of integrated ICT infrastructure, enterprise hardware systems and technology deployment solutions.

Based on the latest available annual financial statements for the period ended 28 February 2026, Classic reported total assets of approximately R439.2 million, net assets of approximately R201.9 million and profit after taxation of approximately R115.1 million. Revenue for the period amounted to approximately R253.6 million.

Rationale for the Acquisition

The acquisition of the remaining 24.45% interest in Classic forms part of Labat Africa's broader strategy to strengthen and consolidate its position as a focused technology, artificial intelligence ("AI") and ICT infrastructure group. The Transaction will result in Labat obtaining 100% ownership of Classic, thereby enabling full operational integration and strategic alignment across the Group's expanding technology portfolio.

The Board believes that full ownership of Classic significantly enhances Labat's long-term technology strategy through the vertical integration of enterprise hardware infrastructure, AI-enabled analytics capability, software distribution and ICT deployment services. The Transaction is expected to improve operational efficiencies, streamline capital allocation and accelerate the rollout of integrated technology solutions across government and enterprise sectors.

The Board further notes that the valuation attributable to the remaining 24.45% interest reflects the substantial growth achieved by Classic since Labat acquired its initial 75.55% shareholding. Since the original acquisition, Classic has delivered strong operational and financial performance and has become a significant contributor to the Group's revenue growth, profitability and net asset value ("NAV"). The Board therefore believes that the consideration payable for the minority interest appropriately reflects the current value of the business, its earnings potential and the strategic benefit associated with securing full ownership.

The Company views 100% ownership of Classic as critical to its strategic growth path. As indicated in the Company's recent trading update, Labat expects to publish favourable financial results, with Classic being a major contributor to the Group's revenue and NAV growth. The Board believes that obtaining full ownership at this stage will ensure that shareholders benefit from the entirety of Classic's future earnings and cash flows as the business continues to expand.

The acquisition also positions the Group to pursue enhanced shareholder returns, Labat as previously announced intends embarking on an investor roadshow to engage directly with shareholders to communicate the Group's strategic vision and growth initiatives and provide additional insight into the rationale underpinning its transactions.

The Board is of the opinion that the Transaction will enhance shareholder value through increased earnings exposure, strengthened technology capabilities, improved cash flow participation and the consolidation of a highly profitable operating subsidiary within Labat's technology segment.

Salient Terms of the Transaction

In terms of the MOA:

- Labat will acquire 24.45% of the issued share capital of Classic from Mr. Muziwakhe Ndhlovu
- The purchase consideration is R27 million.
- The consideration will be settled through the issue of 900 000 000 Labat ordinary shares at an issue price of R0.03 per share.
- Following completion of the Transaction, Labat will hold 100% of the issued share capital of Classic.

Following implementation of the Transaction, Classic will become a wholly owned subsidiary of Labat and its Memorandum of Incorporation will be amended where required by the effective date of this Transaction, to ensure compliance with Schedule 2 of the JSE Listings Requirements in accordance with Section 8.16.

Conditions Precedent

- Receipt of updated management accounts of Classic
- Submission of a TRP 121 form
- Receipt of any required regulatory approvals, including approval from the JSE where applicable

Categorisation of the Transaction

Based on Labat Africa's current market capitalisation, the Acquisition constitutes a Category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require shareholder approval.

Effective Date

The effective date of the Transaction will be the first business day following fulfilment or waiver of the conditions precedent.

Board Commentary

The Board believes that consolidating full ownership of Classic represents a strategic milestone for Labat's technology division.

The acquisition strengthens Labat's position within the ICT infrastructure, AI analytics and enterprise technology sectors, while unlocking additional value through operational integration and accelerated growth opportunities.

The Board believes the Transaction positions Labat to capture meaningful growth in the rapidly evolving technology infrastructure market across South Africa and the broader African region.

Responsibility Statement

The board of Labat Africa takes full responsibility for the information contained in this announcement and confirms that, to the best of its knowledge and belief, the information is true and that this announcement does not omit anything likely to affect the importance of such information.

Further announcements will be made in due course, if required.

By order of the Board
Labat Africa Limited

JOHANNESBURG
30 June 2025

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