



Novus Holdings Limited

Incorporated in the Republic of South Africa
(Registration number 2008/011165/06)
JSE share code: NVS ISIN: ZAE000202149
("Novus Holdings" or "the Company")

ANNOUNCEMENT REGARDING A SMALL RELATED PARTY ACQUISITION

1. Introduction

The board of directors of Novus Holdings ("**the Board**") hereby advises its shareholders that the Company's wholly-owned subsidiary, Novus Print Proprietary Limited ("**Novus**"), has entered into a transaction and shareholders agreement ("**the Agreement**") dated 9 May 2024 ("**Signature Date**") with Marblehead Investments Proprietary Limited ("**Marblehead Investments**" or "**the Seller**"), Alphawave Holdings Proprietary Limited, Etienne Barnard, Lambda AI People Proprietary Limited, Greg Newman, Ruan van der Merwe, Cobus Louw and Bytefuse Proprietary Limited ("**Bytefuse**") in terms of which Novus:

- 1.1 will acquire all of the ordinary no par value shares in the capital of Bytefuse ("**Ordinary Shares**"), the redeemable, non-participating, non-convertible preference shares in the share capital of Bytefuse designated as the "**Investor Preference Shares**" and the redeemable, non-participating, non-convertible preference shares in the share capital of Bytefuse designated as the "**Founder Preference Shares**" held by Marblehead Investments immediately prior to the Effective Date as set out in paragraph 2.5 below, being 412 Ordinary Shares, 8 471 767 Investor Preference Shares and 2 336 532 Founder Preference Shares (collectively referred to hereinafter as the "**Sale Shares**"), together with the aggregate of all claims which Marblehead Investments may have against Bytefuse as at the Effective Date ("**Sale Claims**"), which Sale Claims and Sale Shares are collectively referred to as the "**Sale Equity**", in consideration for the "**Sale Consideration Shares**", being 2 513 558 Novus Holdings shares calculated by dividing the face value of the Sale Equity (namely R10 808 299) by R4.30 per Novus Holdings share, which is a 2% discount to the volume weighted average price of a Novus Holdings share as traded on the JSE Limited ("**JSE**") over the five trading days immediately preceding the Effective Date; and
- 1.2 will subscribe for an additional 289 Ordinary Shares and 30 000 000 Investor Preference Shares ("**First Subscription Shares**") for R30 million, resulting in Novus holding 48.58% of the Ordinary Shares, 78.93% of the Investor Preference Shares and 50.43% of the Founder Preference Shares in Bytefuse, (collectively referred to as "**the Transaction**"); and
- 1.3 has been granted an option to subscribe for an additional 361 Ordinary Shares and 20 000 000 Investor Preference Shares ("**Option Shares**") for R20 million ("**Option Price**"), which if exercised, will result in Novus holding 58.87% of the Ordinary Shares and 85.06% of the Investor Preference Shares in Bytefuse ("**Option**").

2. The Transaction

2.1 Nature of the business of Bytefuse

Founded in 2021 in Stellenbosch, in the Western Cape, Bytefuse conducts the business of developing machine learning and artificial intelligence technology (“AI”) for application in various fields. The company operates as a rapid prototyping unit that quickly iterates towards bespoke solutions, leveraging the unique data and context available to each enterprise, to maximise what can be gained from the datasets.

2.2 Rationale

The impact of AI across all business sectors is likely to be significant and transformative. Novus sees its investment in Bytefuse as strategic to its education business and as a good entry point into the broader AI market where Bytefuse will provide services and technology to a wide variety of industries.

In the near-term, Novus is integrating AI technology into its education business to provide better products and services to its clients and to make its 75%-owned subsidiary, Maskew Miller Learning Proprietary Limited, more cost effective.

It is anticipated that the use of AI technology will enhance the Company’s ability to be a leader in the education market in South Africa.

2.3 Suspensive Conditions

The provisions of the Agreement (other than the Surviving Provisions as referred to therein which shall be unconditional and of immediate force and effect), are subject to the fulfilment and/or waiver of the following Suspensive Conditions on or before 17:00 on 31 May 2024 (or such other date and/or time as may be agreed in writing by the parties to the Agreement):

- 2.3.1 Novus Holdings having complied with its obligations under paragraph 10.7 of the Listings Requirements of the JSE;
- 2.3.2 the shareholders of Bytefuse having passed special resolutions (and such resolutions being lodged for registration with the Companies and Intellectual Property Commission) approving:
 - 2.3.2.1 the increase of the authorised share capital of Bytefuse by the creation of 10,000,000 Founder Preference Shares and 100,000,000 Investor Preference Shares in the share capital of Bytefuse;
 - 2.3.2.2 the adoption of a new memorandum of incorporation of Bytefuse reflecting the creation of the Founder Preference Shares and the creation of the Investor Preference Shares;
 - 2.3.2.3 the issue of the First Subscription Shares to Novus in terms of the Agreement; and
 - 2.3.2.4 the grant of the Option to Novus in terms of the Agreement.

2.4 Consideration

- 2.4.1 All risk in and all benefit attaching to the Sale Equity will pass to Novus on the Effective Date. Possession and effective control of the Sale Equity will be given to Novus on the second business day after the date on which the last of the Suspensive Conditions has been fulfilled (or waived as the case may be) (“Closing Date”).
- 2.4.2 With effect from the Effective Date, Novus subscribes for, and Bytefuse issues and allots, the First Subscription Shares to Novus.

2.4.3 On the Closing Date Novus will:

2.4.3.1 instruct its CSDP to effect transfer of the Sale Consideration Shares to the Seller and to deliver such shares to Marblehead Investments' nominated CSDP or broker account, as the case may be, as consideration for the Sale Equity; and

2.4.3.2 pay R30 million in cash to Bytefuse by way of electronic funds transfer for the First Subscription Shares.

2.5 Effective Date

The Effective Date of the Transaction is 1 May 2024, subject to the Suspensive Conditions being fulfilled or waived, as the case may be.

2.6 Financial information

The unaudited net asset value of Bytefuse for the year ended 30 April 2023 was R6 132 831. The unaudited loss of Bytefuse for the year ended 30 April 2023 was R1 928 227.

The net asset value of Bytefuse for the six months ended 31 October 2023 was R7 340 420. The loss of Bytefuse for the six months ended 31 October 2023 was R1 723 095.

The financial statements were prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.

2.7 Warranties

The Agreement contains warranties that are customary for a transaction of this nature.

2.8 Memorandum of incorporation of Bytefuse

In compliance with paragraph 10.21 of Schedule 10 of the Listings Requirements, Novus Holdings will ensure that the provisions of the memorandum of incorporation of Bytefuse do not frustrate or relieve the Company in any way from compliance with its obligations in terms of the Listings Requirements.

3. The Option

3.1 Novus will be entitled to exercise the Option at any time on or before the second anniversary of the Effective Date, by delivering written notice to Bytefuse and to Marblehead Investments ("**Option Notice**"). If Novus does not deliver the Option Notice to Bytefuse and to Marblehead Investments prior to such date, then the Option will automatically lapse.

3.2 Novus will pay the Option Price to Bytefuse within three business days after delivery of the Option Notice ("**Option Effective Date**") by electronic funds transfer.

4. Related party

4.1 As the Sale Equity will be acquired from Marblehead Investments, a 35.7% shareholder in Bytefuse, which is in turn 6.56% owned by NPort Investment Holdings Proprietary Limited and 93.44% owned by Mr Andre van der Veen, the Chief Executive Officer of Novus Holdings, and is therefore a "related party" in terms of paragraph 10.1(b)(viii) of the Listings Requirements, the Transaction constitutes a "small related party transaction" in terms of paragraph 10.7 of the Listings Requirements.

4.2 In terms of the Listings Requirements, the Company is required to provide the JSE with written confirmation from an independent professional expert acceptable to the JSE confirming whether the terms of the Transaction are fair as far as Novus Holdings shareholders are concerned.

- 4.3 Accordingly, in compliance with paragraph 10.7(b) of the Listings Requirements, Exchange Sponsors Projects Proprietary Limited has been appointed by the Company as the independent professional expert to provide the Board with a fairness opinion regarding the Transaction ("**Fairness Opinion**"). The Fairness Opinion will be submitted to the JSE for review.
- 4.4 Once the Fairness Opinion has been reviewed by the JSE, a further announcement will be made and the Fairness Opinion will be made available for inspection at the registered office of Novus Holdings located at 10 Freedom Way, Milnerton, Cape Town, 7441 and on request by emailing company.secretary@novus.holdings, for a period of 28 days from the date of such announcement.

Cape Town
10 May 2024

Sponsor
Merchantec Capital