



EOH Media release

STRATEGIC PARTNERSHIP THROUGH DISPOSAL OF 70% OF CONSTRUCTION COMPUTER SOFTWARE (PTY) LTD AND PATHWAY TO GROWTH AND INTERNATIONALISATION

Johannesburg, 2 July 2019: EOH concludes a transaction that sees its wholly owned subsidiary, EOH Mthombo (Pty) Limited, enter into a share purchase agreement with RIB Limited, a subsidiary of German listed RIB Software SE. EOH will dispose of seventy percent of the issued ordinary share capital of Construction Computer Software (CCS) for R444 390 000. The deal was struck at 8.5x EBITDA and the companies have entered into a reciprocal put / call option, in terms of a shareholder's agreement, for the disposal of the remaining thirty percent of the issued share capital of CCS at the same multiple applied to 31 December 2022 adjusted EBITDA. Ninety percent of the purchase consideration is payable in cash on closing, following fulfilment or waiving of all conditions precedent. The remaining ten percent will be held back by RIB as security for any shortfall in warranted financial results or claims against EOH Mthombo. The balance due will be payable to EOH Mthombo in cash by no later than 31 July 2021.

CCS is a key provider of enterprise software solutions for the construction and engineering industries. RIB leads the digitisation of the construction industry with its software technology combined with a market leading cloud platform approach to software services. RIB is operational in almost 30 countries, has more than half a million licensees and is focused on growing that number to two million over the next two years. CCS' access to RIB's broad development network, international business analysts and development teams, will greatly enhance CCS' growth strategy. Through EOH's remaining 30% holding of CCS, EOH will participate in the company's growth trajectory. In addition, the put/call arrangement provides an effective exit for EOH after December 2022. Potential also exists to grow the RIB relationship to a broader partnership with EOH ICT in cloud and development services.

This transaction is a significant milestone in EOH's strategy to align with key partners which enable the scaling up of unique software businesses identified within the Group's fold. It is also a crucial step forward for EOH's IP division and RIB is the right partner to unlock CCS' full potential, enabling both growth and internationalisation. Further the deal is in line with EOH's strategy to build the "EOH of the Future" by reorganising the Group into an investment holding company and strengthening the Group's capital structure.

EOH management, at the interim results period, stated that it would unlock R1bn in cash through strategic partnerships and targeted disposals in order to reduce the Group's debt. The proceeds of this transaction will go a long way to creating a more appropriate capital structure and will be applied mainly to a reduction of the EOH's debt and to a lesser extent, for working capital requirements.

Ends.

About CCS

CCS limited together with its subsidiaries is a leading provider of enterprise software solutions for the construction and engineering industries. CCS' products and services include construction management and enterprise management tools and systems which improve the speed, accuracy and transparency for project estimation and controls and enhance the efficacy of the client's capabilities in project management. *Candy*, a construction management software designed for estimation and control of projects and *BuildSmart*, a fully integrated enterprise management system are the company's flagship products. CCS has headquarters in South Africa, with offices in the United Kingdom and the United Arab Emirates as well as a range of global affiliate distributors.

About RIB

RIB Limited is a, German listed, leading provider of software technology to the construction and real estate industries that is developing a highly competitive cloud platform approach to software services, thereby digitalizing the construction industry. RIB is operational in approximately 30 countries has 600,000 licensees and is looking to grow that number to two million over the next two years. RIB is specifically focused on the construction vertical and intimately understands what the clients in this sector want.

About EOH

The EOH Group is the largest technology business in Africa, providing the technology, knowledge, skills and organisational ability critical to Africa's development and growth. Following the Consulting, Technology and Outsourcing model, the EOH Group provides high-value, end-to-end solutions to its clients in all industry verticals. The Group employs more than 11 000 people, delivering technology solutions and knowledge services to over 5 000 large enterprise customers across all major industries. As a leader in driving and supporting digital innovation, the Group offers solutions along a simple Design- Build-Operate engagement model through its two independent businesses, EOH and NEXTEC.

For media queries please email: media@eoh.com or 011 607 8100.

For interviews:

Aprio strategic communications

Michael Rubenstein

+27 11 880 0037 / 082 903 7797

michael@aprio.co.za