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**FOR IMMEDIATE RELEASE**

**2 November 2020**

## **Bytes Technology Group plc**

### **Announcement of Intention to Publish a Registration Document and Expected Intention to Float on the London Stock Exchange and Johannesburg Stock Exchange**

The Bytes Group, one of the UK's leading software, security and cloud services specialists, announces that the Company intends to publish today a Registration Document and is considering proceeding with an initial public offering (the "IPO" or the "Offer"). Should the Bytes Group proceed with the IPO, the Company would apply for: (i) the admission of its Shares to the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange; and (ii) the secondary inward listing and admission to trading of its Shares on the Main Board of the Johannesburg Stock Exchange ("JSE") (together, "Admission").

On 2 April 2020, Allied Electronics Corporation Limited ("Altron"), a South African technology group listed on the JSE, announced that it had resolved to demerge and separately list its UK business, Bytes UK, on the London Stock Exchange and JSE, to unlock value for Altron shareholders ("Altron Shareholders") (the "Demerger"). Should the Demerger and IPO proceed, on Admission the Company will be the ultimate parent company of Bytes UK and its subsidiaries.

#### **Bytes Group Highlights**

- The Bytes Group is one of the UK's leading providers of IT software offerings and solutions, with a focus on cloud and security products
  - Working with customers to identify their software needs, selecting and deploying appropriate software products, managing licence compliance and, ultimately, helping them to optimise their software assets

- Operating in a market with significant growth potential, its core UK software market is sized at £23.4bn and is forecast to grow at a CAGR of 5.2% by 2024<sup>1</sup>
- A diverse range of blue chip customers with 4,929 customers in FY20 across the private and public sectors
- A motivated and growing team of over 650 UK-based employees, with a strong customer-oriented culture driving high staff retention and customer satisfaction, with 99.5% of participating customers in a recent survey saying they would recommend the Bytes Software Services and 96.2% of participating customers rated the service provided by Bytes Software Services as either excellent or good
- Strategic relationships and trusted partnerships with over 100 vendor partners and their distributors. A particularly strong track record of working with Microsoft and one of Microsoft's largest partners in the UK by revenue

<sup>1</sup> Source: IDC Worldwide ICT Spending Guide Industry and Company Size, June 2020, Directors' estimates based on IDC data.

- Strong track record of growth - between FY10<sup>2</sup> and FY20, gross profit increased from £12.6m to £79.2m, representing a CAGR of 20% (financial years ended 28/29 February). This growth has been largely organic, with further contribution from two strategic acquisitions of Security Partnerships and Phoenix in 2011 and 2017, respectively
  - FY20 gross profit of £79.2m (+24.5% against FY19) and adjusted operating profit of £31.7m (+53.9% against FY19)
  - Highly cash generative with FY20 cash conversion of 125.9% (FY19 cash conversion 139.7%)
  - H1 FY21 performance was strong with Bytes UK reporting gross profit of £46.4m (+16.1% against H1 FY20) and adjusted operating profit of £20.5m (+22.8% against H1 FY20)
  - In the period since 31 August 2020, the Bytes Group's business has continued to perform in line with management's expectations and consistent with the trends observed in the latter months of H1 FY21

<sup>2</sup> FY10 to FY17 gross profit figures are derived from unaudited IFRS financial information, routinely prepared as part of the financial reporting procedures for the Altron Group.

- Highly experienced management team, with the CEO and CFO having run the Bytes Group as an autonomous business for over 20 years
  - Focus on maintaining a strong culture which the Directors and Proposed Directors believe drives the Company's high employee retention rates and increases salesperson productivity, customer satisfaction and financial and operating performance
- Significant opportunities for further growth with digital transformation agendas, the growth of cloud products and the focus on cyber-security providing a structural tailwind
  - Clear opportunity to expand the customer base and increase the Bytes Group's share of wallet with existing customers
  - Focus on annuity-type revenue streams from customers purchasing a renewable licence for cloud-based solutions which provide a resilient gross profit base
  - Optimising software asset management capabilities to embed the Bytes Group as a trusted adviser to its customers with the potential for cross-sell opportunities
  - Continued expansion of the Bytes Group's product offering including into hardware
- The Demerger and IPO will allow the Bytes Group to pursue its growth strategy independently with an enhanced market profile while also enhancing culture by increasing employee ownership and incentivisation

- The Board initially intends to target an annual dividend of between 40% and 50% of the Bytes Group's profit after tax before any exceptional items in each financial year after the current financial year. Subject to any cash requirements for ongoing investment, the Board will consider returning excess cash to Shareholders over time

**Neil Murphy, Chief Executive Officer of the Bytes Group, said:**

"We are delighted to be taking these steps towards an expected flotation on the London Stock Exchange and Johannesburg Stock Exchange. After 22 years as an autonomous unit within a diversified technology services group, this marks an important chapter in the development of Bytes. This pivotal moment reflects the achievements of the past and also signals our belief in our ability to deliver on our strategy and gain share in an exciting and rapidly growing market.

"Bytes has a highly motivated group of colleagues with an impressive track record of delivering software offerings and solutions to a diverse, loyal and growing customer base. We have traded strongly this year-to-date as we have helped our clients adapt to new working patterns and this has resulted in a positive financial performance and continued growth in our customer base. We are confident that Bytes is well positioned to continue to take advantage of the wider digital transformation agenda and deliver on its long-term strategy for growth."

**Patrick De Smedt, Non-Executive Chairman of the Bytes Group, said:**

"It is a privilege to be joining Bytes as the business prepares for the next stage of its growth on the London and Johannesburg Stock Exchanges. We expect shareholders in the Company to benefit from Bytes' strong relationships with many of the world's largest software companies, its skilled and dedicated management team, exceptional set of colleagues, diverse and embedded customer base and strong financial track record. I have been hugely impressed by the significant growth that the Bytes Group has delivered in recent years and am very excited for what lies ahead."

**Expected Offer Highlights**

Should the Demerger and IPO proceed, it is expected to have the following features:

- Premium listing on the Official List of the FCA and admission to trading on the Main Market for listed securities of the London Stock Exchange and the Main Board of the JSE by way of a secondary inward listing
- Upon Admission, the Company expects to have a distributed shareholder base comprising at least 36% held by new investors, with the balance held by Bytes management (5%) and existing Altron Shareholders. Altron will not be a shareholder going forward
- The Company expects to be eligible for inclusion in the FTSE UK indices following Admission
- The Demerger and IPO will provide liquidity to Altron Shareholders to receive not less than 25% and up to 100% of their indirect shareholding (net of certain taxes arising from the Demerger) in the Bytes Group in cash pursuant to the Demerger and up to 100% in cash (in each case, subject to their elections and demand from investors in the IPO), to meet the Company's expenses in relation to the Demerger and IPO, and to provide Altron with funds to meet certain taxes arising from the Demerger and for its general corporate purposes.
- The Bytes Group has engaged Numis Securities Limited ("Numis") as the Sole Sponsor, Financial Adviser, Global Co-Ordinator and Bookrunner in the event that the Offer proceeds

In connection with the Demerger, Altron will publish a circular shortly setting out the detailed terms of the Demerger (the "Altron Circular") and to convene an extraordinary general meeting of the Altron Shareholders ("General Meeting") at which the Altron Shareholders will be asked to consider, and, if deemed fit, pass certain resolutions required to implement the Demerger. The General Meeting is expected to be held on 1 December 2020.

## Key Strengths

### *Significant total addressable market with strong growth potential*

- The increasing complexity of the IT landscape and the shift to cloud has presented the Company with significant growth opportunities. The Company is well positioned to capitalise on these trends due to its expertise and knowledge in the field
- The Directors and Proposed Directors estimate that the Bytes Group had less than 3% of the UK market share in FY20 of the £23.4bn software (on-premise and cloud) TAM, Bytes core market which is forecast to grow at a CAGR of 5.2% from 2019 to 2024<sup>3</sup>
- With over 42,000 companies with more than 100 employees<sup>4</sup> (being the threshold target size for the Bytes Group) and over 200,000 public sector organisations in the UK, the Directors and the Proposed Directors believe that there is a significant market opportunity to further expand Bytes UK's customer base and continue to gain market share
- IDC forecasts the broader UK IT services and hardware market to grow from £55.8 billion in 2019 to £62 billion in 2024, representing a CAGR of 2.1%<sup>5</sup>. The Bytes Group's recently established e-commerce hardware platform represents an opportunity for the Bytes Group to further broaden its addressable market, capitalising on demand from its extensive customer base

<sup>3</sup> Source: IDC Worldwide ICT Spending Guide Industry and Company Size, June 2020, Directors' estimates based on IDC data.

<sup>4</sup> Source: Creditsafe 8 July 2020

<sup>5</sup> Source: IDC Worldwide ICT Spending Guide Industry and Company Size, June 2020, Directors' estimates based on IDC data

### *A leading player in the market with a track record of strong financial growth and performance*

- The Bytes Group is one of the leading value added software resellers in the UK market, with software sales representing 92.1% of its Gross invoiced income of £722.2 million in FY20
- Gross invoiced income increased from £343.4 million in FY18 to £722.2 million in FY20, representing a CAGR of 45.0%
- The Bytes Group has delivered gross profit growth of 25% FY19-FY20 and Adjusted operating profit growth of 53.7% FY19-FY20
- The Bytes Group's business model is highly cash generative with cash conversion rates in excess of 100% in each of the last three financial years
- The Bytes Group aims to operate with a net cash position on an ongoing basis post IPO, subject to normal working capital seasonality

### *Strong vendor partnerships*

- The Bytes Group has strategic relationships and trusted partnerships with over 100 vendor partners and their distributors, endorsed by the numerous accreditations and awards the Bytes Group has received
- In 1996, the Bytes Group became one of Microsoft's first resellers in the UK and has developed a deep and broad relationship with them over almost 25 years. The Bytes Group has since become a Microsoft Gold Partner across 14 competencies between Bytes Software Services and Phoenix, employing 140 Microsoft certified professionals
- The Bytes Group is one of Microsoft's largest partners in the UK by revenue and in Microsoft's 2020 financial year generated in excess of \$1 billion of revenue for Microsoft from sales of Microsoft products and services into the UK market, of which \$377 million was attributable to on-premise sales and \$675 million was attributable to cloud-based sales

- The Bytes Group continues to assess opportunities in the market to further expand and diversify its vendor partnerships as new technologies emerge
- Further, as part of the Bytes Group's strategy to develop its hardware offering, strong relationships have been established with Cisco, HP, IBM and Dell, among others

#### *Extensive and well-established customer relationships*

- The Bytes Group has a broad range of blue-chip customers across the public and private sector and has a long track record of growing its customer base and developing long term relationships with customers
- The Bytes Group's customer base has grown from 1,651 customers in FY12 to 4,929 customers in FY20
- The breadth of the customer base has resulted in low levels of customer concentration with the Bytes Group's top ten customers making up only c. 8% of gross profit in FY20
- In a customer satisfaction survey conducted in August 2020, 96.2% of participating customers rated Bytes Software Services as either excellent or good, and 99.5% of participating customers said that they would recommend Bytes Software Services
- In FY20, 92% of the Bytes Group's gross profit was attributable to business with established customers and 8% to new customers

#### *Management team and employee culture*

- The Bytes Group's senior management are highly experienced with a strong, well-established track record
- The Bytes Group's CEO Neil Murphy has held the position since 2000, having previously worked as a sales director for the business for three years, and the Bytes Group's Chief Financial Officer, Keith Richardson, has been with the Bytes Group for 25 years
- Senior management makes it a priority to promote the business's key values of integrity, communication, learning, responsibility, teamwork and reward, which were a key factor in Bytes Software Services being ranked 21<sup>st</sup> in the Sunday Times' list of the Best 100 Mid Companies to work for in 2020
- The strength of the Bytes Group's employee culture is evidenced by the fact that since FY15, of Bytes Software Services' 50 top achieving (in terms of gross profit generation) salespeople, only one has left and not returned
- The Bytes Group is committed to its Corporate Social Responsibility (CSR) objectives and has made them an integral part of its business operations. The Bytes Group's CSR policy, which was recently re-written in consultation with employees at all levels of the business, is based on the UN's 17 Sustainable Development Goals, and plays an important role in fostering trust between the Bytes Group and its employees as well as with its vendors and customers
- The Directors and Proposed Directors believe that maintaining a strong culture drives the Company's high employee retention rates, increases in salesperson productivity, customer satisfaction and repeat business

#### **Significant opportunities for further growth**

- Structural tailwind provided by digital transformation agendas, the growth of cloud products and the focus on cyber-security
- Focus on annuity-type revenue streams from customers purchasing a renewable licence for cloud-based solutions which provide a resilient gross profit base allowing salespeople to devote more time and resource to generating new business

- Increasing the scale and productivity of the sales engine while focusing on maintaining customer service excellence and continuing to develop technical expertise
- Clear opportunity to expand the customer base and increase the Bytes Group's customer penetration; significant scope to increase market share through the continued expansion of the Bytes Group's product offering, including into hardware resale and a focused services offering, which each currently comprise only approximately 4% of the Bytes Group's gross invoiced income
- Optimising software asset management capabilities providing another tool through which the Bytes Group can embed itself as a trusted adviser to its customers with the potential to cross-sell additional products and services
- The Company will also consider strategic acquisition opportunities where there is scope to complement the Bytes Group's existing offerings and accelerate the implementation of the Bytes Group's strategy

## **Highly experienced board and executive team**

### **Directors**

- Patrick De Smedt, Non-Executive Chairman - joined the Bytes Group as Chairman in July 2020. Patrick is also Chairman of EMIS Group plc and GCI Managed Services Group Ltd and Senior Independent Director of PageGroup plc. Patrick spent 23 years at Microsoft during which time he founded the Benelux subsidiaries, led the development of its Western European business and served as Chairman of Microsoft for Europe, Middle East and Africa
- Neil Murphy, Chief Executive Officer - Managing Director of the Bytes Group since 2000. Prior to becoming Managing Director, Neil was Sales Director at the Bytes Group for three years and previously spent seven years in general sales management
- Keith Richardson, Chief Financial Officer - 25 years at the Bytes Group with responsibility for Finance and Operations. Keith is a Chartered accountant (ICAEW) and trained at Deloitte LLP
- David Maw, Non-Executive Director - non-executive director of the Bytes Group since 2000. David was previously Controller, Xerox European Manufacturing and spent over 20 years working for Xerox where he was responsible for Tax, Treasury and Leasing as well as M&A in Xerox EMEA

### **Proposed Directors**

- Mike Phillips, Proposed Senior Independent Non-Executive Director and Chair of the Audit Committee - over 17 years of experience serving as an executive director on UK listed companies, most recently as Chief Financial Officer of Micro Focus International plc and having previously been Chief Executive Officer at Morse plc
- Dr Alison Vincent, Proposed Independent Non-Executive Director and Chair of the Remuneration Committee - an experienced IT industry leader with recent roles including Group Chief Information Security Officer at HSBC and Chief Technology Officer at Cisco. She has experience in cybersecurity, research and development, strategy execution, product management and business development

## Financial KPIs

Senior management considers a range of financial measures and other metrics in assessing the Bytes Group's performance. These KPIs provide useful information regarding the Bytes Group's business and operations.

	Year End			6 months ended 31 August	
	28-Feb-18 <sup>(10)</sup>	28-Feb-19	29-Feb-20	2019	2020 <sup>(11)</sup>
Gross invoiced income (£m) <sup>(1)</sup>	343.4	549.4	722.2	370.3	505.4
Gross profit (£m) <sup>(2)</sup>	43.5	63.6	79.2	39.9	46.4
Gross profit growth <sup>(3)</sup>	-	46.1%	24.5%	-	16.1%
Adjusted operating profit (£m) <sup>(4)</sup>	11.5	20.6	31.7	16.7	20.5
Adjusted operating profit / gross profit <sup>(5)</sup>	26.4%	32.5%	40.0%	41.8%	44.2%
Cash conversion rate <sup>(6)</sup>	109.4%	139.7%	125.9%	4.4%	47.5%
Customers <sup>(7)</sup>	4,330	4,516	4,929	-	4,976
Average gross profit per customer (£000) <sup>(8)</sup>	-	14.1	16.1	-	17.2
Renewal rate <sup>(9)</sup>	-	136%	115%	-	-

<sup>(1)</sup> "Gross invoiced income" is a non-IFRS financial measure that reflects gross income billed to customers adjusted for deferred and accrued revenue items and is consistent with the Bytes Group's previous application of IAS 18. The Bytes Group will continue to report gross invoiced income as an alternative financial KPI.

<sup>(2)</sup> "Gross profit" is defined as revenue less cost of sales and has been extracted from the Bytes Group's historical financial information in Part 9 "Historical Financial Information of Bytes UK", where it appears in the Bytes Group's consolidated statement of profit or loss.

<sup>(3)</sup> "Gross profit growth" is calculated as the percentage of growth in gross profit from the previous financial period.

<sup>(4)</sup> "Adjusted operating profit" is a non-IFRS financial measure that excludes from operating profit the effects of significant items of income and expenditure which might have an impact on the quality of earnings, such as acquisition costs, which are attributable to an isolated, non-recurring event. Acquired intangible amortisation and share-based payment charges are also excluded.

<sup>(5)</sup> "Adjusted operating profit / gross profit" is a non-IFRS financial measure that the Bytes Group defines as adjusted operating profit as a percentage of gross profit.

<sup>(6)</sup> "Cash conversion rate" is a non-IFRS financial measure that the Bytes Group defines as cash generated from operations minus capital expenditure (together, "Fee Cash Flow") divided by adjusted operating profit.

<sup>(7)</sup> "Customers" is an operating metric that the Bytes Group calculates as the number of unique entities transacting greater than £100 in gross profit with the Bytes Group during the relevant financial period

<sup>(8)</sup> "Average gross profit per customer" is an operating metric that the Bytes Group defines as total gross profit divided by customers.

<sup>(9)</sup> "Renewal rate" is an operating metric that the Bytes Group defines as gross profit from existing customers divided by total gross profit in the prior financial period. Existing customer is defined as a customer who has previously transacted with the Bytes Group.

<sup>(10)</sup> For the year ended 28 February 2018, "Average gross profit per customer" and "Renewal rate" are not presented because of the impact of the acquisition of Phoenix in September 2017.

<sup>(11)</sup> For the six months ended 31 August 2020 "Customers" and "Average gross profit per customer" have been calculated on a last twelve month ("LTM") basis. As at 31 August 2020, the Bytes Group's LTM gross profit was £85.7 million.

## **Trading in the Six Months Ended 31 August 2020**

The Bytes Group performed well in the first half of the financial year despite the COVID-19 pandemic. Growth was driven primarily by strong first quarter growth in the Bytes Group's private sector business during the early months of the COVID-19 pandemic, with an acceleration of customer IT spend in response to the rapid shift to home working due to lockdown restrictions, and strong growth in the Bytes Group's public sector business that further accelerated in the second quarter of the period, including three large contract awards.

This performance included both an increase in spend and activity from the Bytes Group's existing customer base as well as a number of new customer wins both in the private and public sector.

- Bytes Group generated gross invoiced income of £505.4 million in H1 FY21 (H1 FY20 £370.3 million)
- Gross profit of £46.4 million in H1 FY21 (H1 FY20 £39.9 million)
- Adjusted operating profit increased to £20.5 million in H1 FY21 (H1 FY20 £16.7 million)

## **Current trading and prospects**

In the period since 31 August 2020, the Bytes Group's business has continued to perform in line with management's expectations and consistent with the trends observed in the latter months of the first half of FY21. The Bytes Group's public sector business has continued to perform well and to offset any softening in spend by private sector customers, and the Bytes Group has also won a number of significant new Enterprise Customers. The early performance of the Bytes Group's new sales team intake has been in line with management's expectations, and the Bytes Group has also resumed selective hiring of seasoned pre-sales staff.

As the COVID-19 pandemic continues, there is uncertainty as to the economic impact in the wider economy over the coming months. The Directors and the Proposed Directors believe the Bytes Group's business performance has been resilient through the first six months of FY21, but the second half will not see a repeat of some of the factors that made the first half growth as strong as it was. The Directors and the Proposed Directors expect the Bytes Group to continue to benefit from its public sector exposure, but anticipate that private sector spending will be less expansive in the very near term.

The Directors and the Proposed Directors believe that there are important long-term imperatives for the Bytes Group's customers, including the shift to home working, the rising adoption of cloud-based software, and the wider digital transformation agenda, which they anticipate will continue to be important drivers of IT spend and to have a positive impact on the Bytes Group's performance over the medium and longer term. The Bytes Group will continue to work closely with its key vendor partners to help their mutual customers use technology to adapt efficiently to these imperatives and to gain competitive advantage from them.

Even in a more challenging economic climate, the Directors and the Proposed Directors believe the opportunity to continue to win new customers and increase share of wallet with existing customers remains as strong as ever, and will continue to invest in the business and its people in order to implement the Bytes Group's long-term strategy for growth.

## **Registration document**

A copy of the Registration Document will be submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> approved by the FCA. A copy of the Registration Document will also be available on Bytes Group's website at [www.bytesplc.com](http://www.bytesplc.com) subject to certain access restrictions.



## **Supplemental Information for Bona-fide Unconnected Sell-Side Research Analysts**

Bona fide unconnected research analysts may receive additional information on Bytes Group by requesting access from Headland Consultancy ([bytes@headlandconsultancy.com](mailto:bytes@headlandconsultancy.com)).

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### **Important Legal Information**

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, has been approved by Numis solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

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This announcement and any offer if made subsequently is, and will be, directed at: (A) if in member states of the European Economic Area (the "EEA"), persons who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129 (as amended) ("Qualified Investors"); and (B) if in the United Kingdom, Qualified Investors who are: (i) investment professionals

having professional experience in matters relating to investments falling under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (C) other persons to whom it may otherwise lawfully be communicated (all such persons referred to in (B) and (C) together being "Relevant Persons"). This announcement must not be acted or relied on (i) in the United Kingdom, by persons who are not Relevant Persons and (ii) in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this announcement relates will be available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom and will be engaged in only with such persons.

This announcement does not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and subscribe for, securities to the public as defined in the South African Companies Act, 2008 (the "SA Companies Act") and will not be distributed to any person in South Africa in any manner which could be construed as an offer to the public in terms of Chapter 4 of the SA Companies Act. These materials do not, nor are they intended to, constitute a prospectus prepared and registered under the SA Companies Act. Nothing in these materials should be viewed, or construed, as "advice" as that term is used in the Financial Markets Act, 2012 ("FMA") and/or the Financial Advisory and Intermediary Services Act, 2001 ("FAIS").

This announcement and any offer if subsequently made is and will only be addressed to and is and will only be directed at persons in South Africa who fall within one of the categories listed in section 96(1)(a) and/or (b) of the SA Companies Act.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Bytes Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Bytes Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made. No representation or warranty is made that any forward-looking statement will come to pass.

Each of the Company, Numis and their respective affiliates as defined under Rule 501(b) of Regulation D of the Securities Act ("affiliates"), directors, officers, employees, advisers and agents, expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any subscription of Shares in the possible Offer should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offer. The information in this announcement is subject to change. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Registration Document referred to herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Bytes Group may decide not to go ahead with the IPO and there is therefore no guarantee that Admission will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Registration Document referred to herein, constitutes a recommendation concerning a possible offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

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