ADCORP HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1974/001804/06
Share code: ADR
ISIN: ZAE000000139
("**Adcorp**" or the "**Company**")

ACQUISITION OF ALLIANCE WORKPLACE SOLUTIONS PROPRIETARY LIMITED

1. INTRODUCTION

1.1 Shareholders are hereby advised that Labour Solutions Australia Proprietary Limited ("**BLU Australia**"), a wholly-owned subsidiary of Adcorp Holdings Australia Proprietary Limited ("**Adcorp Australia**") (wholly-owned by Adcorp), has entered into a share sale agreement ("**the Agreement**") with Fiona Collins ("**the Vendor**"), Neil Collins ("**the Key Person**"), Alliance Workplace Solutions Proprietary Limited ("**Alliance**") and Adcorp Australia, in terms of which BLU Australia will acquire all of the issued shares in Alliance ("**the Sale Shares**") from the Vendor, for a cash consideration as set out in paragraph 4.3 below ("**the Acquisition**").

1.2 The Vendor is the sole legal and beneficial owner of the Sale Shares.

2. DETAILS OF THE BUSINESS OF ALLIANCE

Alliance is an Australian workforce services company facilitating the provision of staffing and labour hire solutions to businesses operating in the floriculture sector.

3. RATIONALE FOR THE ACQUISITION

The Acquisition will enable BLU Australia to assume full ownership of the workforce services operations and associated client relationships previously managed in conjunction with Alliance. This will strengthen BLU Australia's position in the Australian floriculture sector, improve operating margins and provide opportunities for further growth. Under the current arrangement, Alliance shares in 60% of the gross profit from revenue derived from the floriculture business.

4. SALIENT TERMS OF THE ACQUISITION

4.1 Effective Date

The effective date of the Acquisition is 30 November 2026, or such other date as may be agreed in writing between the Vendor and BLU Australia ("**Effective Date**"), subject to the fulfilment of the conditions precedent set out in paragraph 4.2 below.

4.2 Conditions precedent

4.2.1 The Acquisition is subject to the fulfilment of the following conditions precedent ("**Conditions Precedent**"):

4.2.1.1 BLU Australia paying to the Vendor, on or before the Effective Date, an amount equal to 60% of gross profit accrued or earned under the current arrangement up to and including the date of the Agreement ("**Gross Profit**"), as agreed between the Vendor and BLU Australia;

4.2.1.2 the Vendor becoming an employee of BLU Australia on the Effective Date in terms of an employment agreement in the agreed form; and

4.2.1.3 the Key Person being engaged by BLU Australia as an independent contractor on the Effective Date in terms of a contractor agreement in the agreed form.

4.2.2 The parties are required to use reasonable endeavours to procure the fulfilment of the Conditions Precedent as soon as reasonably practicable. Either the Vendor or BLU Australia may terminate the Agreement by written notice if the Conditions Precedent are not fulfilled, provided that the terminating party has complied with its reasonable endeavours obligations.

4.3 **Purchase consideration**

4.3.1 The purchase price for the Sale Shares is A$4 300 000 ("**Purchase Price**") and is payable in cash as follows:

4.3.1.1 A$2 580 000, being 60% of the Purchase Price ("**Completion Consideration**") comprising:

4.3.1.1.1 a deposit of A$258 000 (which deposit has been paid and is refundable to BLU Australia if completion does not occur for any reason);

4.3.1.1.2 the balance of A$2 322 000 payable on the Effective Date; and

4.3.1.2 earn-out payments of A$860 000, being A$1 720 000 in aggregate, for each of the periods from 1 March 2027 to 29 February 2028 and from 1 March 2028 to 28 February 2029 (each an "**Earn-out Period**"), which Earn-out Period payments are payable within 20 business days after determination of the gross profit for the relevant Earn-out Period ("**Earn-out Consideration**").

4.3.2 The Earn-out Consideration is determined with reference to the gross profit generated by BLU Australia from the existing workforce services contract with the floriculture business (including any renewal thereof), together with qualifying new clients introduced by the Vendor, measured against agreed gross profit targets for each Earn-out Period. The full Earn-out Consideration of A$860 000 per period is payable where gross profit achievement is between 95% and 105% of target. Below 95%, the payment reduces on a sliding scale to nil at 70% or less of target. Where gross profit achievement exceeds 105%, an additional earn-out of up to A$172 000 is payable per period, increasing the maximum earn-out to A$1 032 000 per period, or A$2 064 000 in aggregate ("**Maximum Earn-out Consideration**"), which will increase the Purchase Price.

4.3.3 In addition to the Purchase Price, BLU Australia will pay a renewal bonus equal to 25% of the earn-out paid in respect of the second Earn-out Period subject to a maximum amount of A$215 000 ("**Renewal Bonus**"), which Renewal Bonus shall be payable only if BLU Australia concludes a renewal of the contract with the floriculture business for a term of not less than three years on terms no less favourable to BLU Australia, and if the gross profit achieved in the first year of that renewal is not less than 95% of the agreed gross profit target for that year.

4.3.4 Accordingly, the maximum aggregate consideration payable for the Sale Shares, comprising the Completion Consideration, the Maximum Earn-out Consideration and the Renewal Bonus, is A$4 859 000.

4.4 **Other significant terms of the Agreement**

4.4.1 The Vendor and the Key Person are subject to restraint of trade undertakings for a period of up to two years following the termination of the Vendor's employment with BLU Australia or the Key Person's contractor agreement (as applicable).

4.4.2 Adcorp Australia has given a guarantee and indemnity in favour of the Vendor in respect of the obligations of BLU Australia under the Agreement in the event of certain trigger events.

4.4.3 The Agreement further contains warranties and undertakings that are customary for transactions of this nature.

5. FINANCIAL INFORMATION RELATING TO ALLIANCE

In terms of the latest annual financial statements of Alliance, for the financial year ended 30 June 2026, the net asset value of Alliance amounted to A$452 475, while the attributable profit before taxation of Alliance amounted to A$116 566 for the financial year ended 30 June 2026.

Given the nature of Alliance's business model, the net asset value and the profit before taxation are not meaningful to Adcorp. The more meaningful figure is revenue, which was A$2 125 604 for the financial year ended 30 June 2026, which figure represents Alliance's portion of the Gross Profit to 60% of the floriculture business.

6. CATEGORISATION OF THE ACQUISITION

The Acquisition constitutes a category 2 transaction in terms of the Listings Requirements of the JSE Limited ("**Listings Requirements**") and accordingly does not require approval by Adcorp shareholders.

7. CONSTITUTION OF ALLIANCE

For purposes of paragraph 8.16 of the Listings Requirements, the Company shall ensure that after the Effective Date the constitutional documents of Alliance will comply with Schedule 2 of the Listings Requirements.

Johannesburg
9 November 2026

Sponsor
Valeo Capital (Pty) Limited
Valeo Capital