

MICROmega Acquires Controlling Interest in EMS Provider Rdata

27 October 2014

MICROmega has acquired the total issued share capital in Rdata Proprietary Limited ("Rdata"), a provider of enterprise management systems ("EMS") to local government in South Africa for a purchase consideration of R12 570 000. Settlement took place on 22 October 2014, and was comprised of a cash settlement of R4 784 000 and 458 000 shares in MICROmega that were issued at R17 per share.

Rdata is an important addition to the product and service offerings of Sebata Municipal Solutions, a wholly-owned subsidiary of MICROmega. Sebata is an integrated technology professional services provider that has its principal focus on municipalities, public entities and government. In particular, Sebata's enterprise management solution is steadily increasing its penetration into the local government sector with 41 local authorities currently using the Sebata system.

"Rdata now adds a further 17 local authorities and 4 public entities predominantly in the Western Cape. Rdata also provides systems solutions to 27 municipalities and 2 public entities in Zimbabwe and to a relatively minor extent in Swaziland and Zambia. Sebata sees a clear opportunity to leverage its products and services into those and other African countries," stated Dylan Strydom, Managing Director of Sebata.

National Treasury has commissioned a critically important project ("SCOA") for the implementation of standardised business processes, financial management, and the reporting thereof across all 278 local authorities in South Africa. Sebata is actively engaged with National Treasury in the implementation of SCOA and has made a significant investment in its technology to ensure that National Treasury's requirements are fully met by the much enhanced Sebata EMS. The Acquisition now places Sebata as the second largest, by number of local authorities, provider of EMS solutions to local government in South Africa.

"Sebata's expansion will also assist other MICROmega group companies by providing a strong cross-selling opportunity for their value added service offerings, such as their water and revenue management solutions and cloud computing services," said Greg Morris, Chief Executive Officer of MICROmega Holdings.

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MICROmega is a holding company with controlling interests in a number of operating subsidiaries. Our businesses are primarily focused on the provision of information technology, financial services, occupational health and safety, and labour supply services. MICROmega is a public company listed on the JSE under the support services sector.

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