

# Allied Electronics Corp A (South Africa): Demerger and Nationality change of Bytes Technology Group

## Informative Notice

01 December 2020

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FTSE Russell notes the demerger of Bytes Technology Group from Allied Electronics Corp A (South Africa, BQKXY3, GEIS Small Cap). Bytes Technology Group will be incorporated in the UK and have a primary listing on the London Stock Exchange, with a secondary inward listing on the Johannesburg Stock Exchange. The company will also conduct an offering of new shares in Bytes Technology Group.

As part of the demerger, shareholders in Allied Electronics Corp A will receive notes which can be redeemed for cash or converted into shares in Bytes Technology Group. The default terms will be three Bytes Technology Group shares and cash to the value of one Bytes Technology Group share (based on the offering price) for every eight Allied Electronics Corp A shares held; with an option to instead redeem notes to receive more cash.

Subject to shareholder approvals and based on the current timetable, FTSE Russell anticipates the following treatment:

### **Monday 07 December 2020 (from market open):**

Allied Electronics Corp A will trade ex-entitlement to the demerger, its price will be adjusted by the equivalent of four times the mid-point of the offering price range. Bytes Technology Group (South Africa) will temporarily be added to the same indexes as Allied Electronics Corp A based on the default terms of three shares for every eight shares held. Due to the cash terms element, the event will not be market capitalisation neutral.

Bytes Technology Group (South Africa) is not expected to trade so will remain in the indexes at a static price.

### **Wednesday 09 December:**

The election period to elect to redeem notes for more cash closes.

### **Friday 11 December (from market open):**

Bytes Technology Group is expected to commence conditional trading on Johannesburg and London Stock Exchanges.

### **Thursday 17 December (from market open):**

Bytes Technology Group is expected to commence unconditional trading on Johannesburg and London Stock Exchanges.

### **Monday 21 December (from market open, at the earliest):**

In conjunction with the December review, Bytes Technology Group will effect a nationality change from South Africa to UK within the Global Equity Index Series, and the index shares will reflect the results of

the elections. Based on the valuation estimate, it is anticipated that Bytes Technology Group will satisfy the Developed Europe Small Cap inclusion as it will rank above the exit threshold.

**Please note:** Any update as a result of the primary offering will be subject to the intra-review rules for primary offerings.

FTSE Russell will issue further notices in due course.

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